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VIDHANA SOUDHA

BANGALORE

REPORT OF THE COMMITTEE

Constituted in

G.O. No. P.W. 2771-77, DATED 2ND JULY 1956

December 1956

Volume I—REPORT

BANGALORE :
PRINTED BY THE DIRECTOR OF PRINTING, STATIONERY AND
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REPORT
OF THE
VIDHANA SOUDHA ENQUIRY COMMITTEE
VOLUME I

CHAPTER I.
INTRODUCTION.

The Vidhana Soudha Enquiry Committee was appointed by Government Order No. P. W. B. 2771-77, dated the 2nd July 1956. It reads as under :—

The Estimates Committee of the Mysore Legislative Assembly have examined the accounts of the expenditure on Vidhana Soudha and recommended in their latest report that the expenditure incurred on the building may be thoroughly scrutinised by a small Committee of engineering and financial experts. The Mysore Finance Enquiry Committee have also expressed the view that an enquiry by a suitable agency into the economies that may be possible in the further execution of the work may be thought of.

In pursuance of these recommendations, Government was pleased to appoint a Committee with the following members :—

(1) Sri P. P. Deo, Retired Judge of the Nagpur High Court (*Chairman*).
(2) Sri B. S. Raghavendra Rao, Retired Financial Secretary to the Government of Mysore.
(3) Sri M. Narasimhaiya, Retired Chief Engineer of Mysore.

The terms of reference to the Committee are :—

(*i*) to examine the state of accounts and to assess the present position ;
(*ii*) to scrutinise the expenditure on the building, having due regard to its nature, magnitude and purpose, and to examine the procedure adopted in fixing rates and executing works ; and
(*iii*) to examine the possibility of effecting economies in further expenditure on the work.

2. The Committee commenced its work on 4th August 1956 and immediately thereafter issued a public request inviting all persons and associations who were interested in the enquiry to send their statements in writing, requesting them to state briefly and concisely their views regarding the procedure adopted in the preparation and sanction of estimates, fixing rates, inviting tenders and all other matters included in the terms of reference. In addition, individual letters of request were addressed to 199 persons and associations. Nine of them offered to give evidence without indicating any information or views. On being requested to send in their statements, no response was received. Statements were received from only five persons. Two of them were not invited to give evidence, as their statements did not disclose anything material to the enquiry. The other three have given evidence. The Committee wishes to place on record its gratitude to the ex-Chief Minister Shri K. Hanumanthaiya, Shri J. M. Imam, Leader of the Opposition, Shri B. V. Narayana Reddy, General Manager, Bank of Mysore, Ltd., Shri V. T. Srinivasan, Retired Accountant-General and Shri P. K. Sen, Accountant-General, Mysore, who have kindly spared their valuable time to give evidence. The Committee regrets that Shri H. S. Rudrappa, the then Speaker has not responded to its request to give evidence. Fourteen Officers concerned with the Vidhana Soudha works in one capacity or another were also examined.

Chapter I.

3. The Committee expected even at the outset that the Vidhana Soudha Division would provide full details of the scheme, a firm estimate of costs and a statement of commitments, if any, already made, to enable the Committee to ascertain early whether there is room for any worthwhile economies in the further execution of the work.* Nothing was done.

4. At its first visit to the Vidhana Soudha on 6th August 1956, the Committee noticed that a large number of items of work had almost reached the stage of completion and the scope of the Committee regarding economies in further expenditure was therefore very restricted. The Committee, therefore, suggested to the officers-in-charge that further execution of the work on items which could conveniently be deferred may be deferred. The Committee particularly brought to their notice the Conference Room in the Northern Wing and the motor garages.

5. By letter dated 7th August 1956, these Officers,—the Chief Engineer and the Special Engineer, were requested to furnish very early a list of items of works not started or in the initial stage of execution and such items in progress that could be deferred pending further examination. On 28th August 1956, the reply of the Special Engineer was received through the Chief Engineer giving a list of items, within and outside the sanctioned estimates, expenditure on which could be dropped or deferred for the time being. These were already covered by the Government Order referred to in paragraph 8 *supra*.

6. At the inspection on 17th August 1956, the Committee went through a list of items of work on which economies were possible, in the presence of the Government Architect and the Special Engineer. It was noticed at this time that finishing work of the Conference Room was being done, which was not started at the time of first visit, and that the work of the motor garages was progressing rather rapidly.

7. On 20th August 1956, a Preliminary Report was submitted to Government pointing out that economies to the extent of about Rs. 25 lakhs were possible and that work on these items should be deferred pending further examination and Final Report. It was also pointed out that from a preliminary examination of the accounts and estimates, etc., it appeared that the total outlay on the works may go up to about Rs. 170 to Rs. 180 lakhs. The Committee suggested that a revised estimate should be got prepared for completion of the items of work as per the original estimate of Rs. 130 lakhs and to get supplemental estimates for items not included in the above estimate, but taken up, or proposed to be taken up and that further work on these items should be deferred pending detailed examination by the Committee.

8. The Government was pleased to accept almost all the suggestions and the Chief Engineer was directed to implement them. He was also asked to prepare revised and supplemental estimates as suggested by the Committee.

9. In matters which required immediate attention, the Committee submitted further reports and recommendations from time to time. These recommendations were also accepted by Government with some minor variations.

10. A Preliminary Report on the state of accounts was submitted on 10th September 1956. It was pointed out that in spite of the clear directions in the Public Works Account Code and the remarks of the Public Accounts Committee from time to time, the

---

*This was also the view of the Mysore Finance Enquiry Committee, 1956 cf. Vol. 1, Page 98.

Chapter 1.

department had not taken cognizance of the fundamental requirements of the Code to expend public funds and that the work of the accounts section was wholly unsatisfactory. The defects in the several books of account were indicated. Thereupon, the Government issued instructions to the Chief Engineer to take immediate action to complete the posting of the Works Register well in time to enable the Committee to examine the accounts before drawing up its final report. The replies of the Special Engineer on the points raised in this report have since been sent to us by Government in their letter No. P. W. (Com.)—236-37, dated 30th November 1956.

We have gone through them and we regret to state that many statements made therein are incorrect, and differ also from the evidence given by the Special Engineer. The state of accounts is still very unsatisfactory.

11. The Committee regrets to note that it has not received unstinted co-operation from the officers concerned. In the early stages, it looked as if even the Government was unwilling to place the Secretariat files relating to the Vidhana Soudha at the disposal of the Committee. The Chairman had personally to take up the matter with the Chief Minister, Shri Kadidal Manjappa. He promised full co-operation. Since the return of Shri A. G. Ramachandra Rao, Minister for Public Works, from Delhi about a week later, he not only made the Secretariat files available to the Committee but also impressed upon the officers concerned the necessity of making a full and true disclosure of facts to the Committee. In spite of this, some of these officers appeared unwilling to make frank and full statements to the Committee or place all the records before them as will appear clearly from a perusal of their evidence.

12. The records maintained in the office of the Special Engineer made available to the Committee were not paged and were not even properly arranged. Without the aid of the Secretariat files and the files of the Chief Engineer's Office, it was difficult to get a consistent account of any important subject. Considerable time of the Committee was taken up in compiling facts.

13. Recording of evidence has also taken a long time as a number of Officer-witnesses were not quite willing to " tell the truth and the whole truth ".

14. Largely to these difficulties, the Committee has taken a long time to conclude its work.

CHAPTER II.

BRIEF HISTORY.

Prior to 1947, there were two bodies in this State, a Representative Assembly of 250 members and a Legislative Council of 50 members. The former was meeting in session twice a year at the Jagan Mohan Palace at Mysore and the latter in the Library Hall of the Old Public Offices at Bangalore, till a separate hall on the third floor of the building was built for the purpose. Later on, one session—the Budget Session of the Assembly began to be held at Bangalore, at Sir Puttanna Chetty Hall and the other continued at Mysore. These buildings had to be specially fitted up on each occasion. After 1947, the Legislative Assembly began holding its session in the former Library Hall of the Old Public Offices, specially improved and fitted up for the purpose. This accommodation was barely sufficient. The Legislative Council has been holding its sessions in the Hall on the third floor of the Old Public Offices. The joint session for the address of the Rajpramukh used to be held in the Sir Puttanna Chetty Hall.

2. In view of the pressing necessity for a building to house the Houses of Legislature, the Government directed the Chief Engineer in March 1948 that a " separate and spacious building should be put up for holding the Sessions of the Representative Assembly and Legislative Council and also the offices of the Houses of the Legislature." Such a building was considered necessary " both in the interest of the dignity of the legislature and more convenient and expeditious mode of work ". It was also proposed to provide in the vicinity, accommodation for members of the Legislature, the Speaker and other principal officers connected with the legislature, together with a library, club rooms, etc. The Residency area was considered suitable for development into a ' Parliament Town '.

3. A new building for the Houses of Legislature was an absolute necessity in the year 1950. The strength of the Assembly then, was 76 and it was to be 99 after the General Elections of 1951. It was with very great difficulty that a seat for the Advocate-General could be fixed in the Hall. The strength of the Legislative Council under the Constitution was 40. Provision had therefore to be made for a Legislative Assembly Hall to seat about 140 members for the joint session and a Legislative Council Hall for 40. This position continued till the formation of Greater Mysore. Under the present set-up, the strength of the Legislative Assembly is 211 and that of the Legislative Council 52. One more seat is to be provided for the Advocate-General in each House. The strength of the Legislative Assembly would be reduced to 208 after the next general elections. Thus the accommodation necessary for the joint session would be 261.

3-A. While the plans and estimates were being examined, the Housing Committee of the Legislative Assembly at its meeting on 4th January 1951, passed the following resolution :

> "Resolved that in view of the considerable inconvenience experienced by the members during sessions for want of accommodation for lounge room, for proper rooms to meet their constituents, for reading rooms etc., urgent action may be taken by Government to arrange for separate legislature building with adequate accommodation for library, reading room and lounge room, etc."

At its meeting held on 17th May 1951, the Committee resolved to issue a reminder to the Government to expedite the work.

Chapter II.

4. The plans* for the Houses of Legislature were ready in April 1951. The foundation stone of the building was laid by the Prime Minister on 13th July 1951. Our repeated attempts to get a copy of the address presented to the Prime Minister, which must have contained valuable information regarding the proposed building, have not met with any success.

5. After several reminders, estimates and plans were submitted to Government on 12th December 1951 for administrative approval. A copy of the plans and estimates was sent to the Speaker for his countersignature. The cost of the first stage of the main block amounted to Rs. 23.64 lakhs. On this basis, the total cost for the whole building would have worked out to Rs. 33 lakhs.† On 13th February 1952, the Secretary, Mysore Legislature, conveyed to Government the approval of the Speaker to the plans and estimates, subject to certain observations regarding the roof of the auditorium. The plans were countersigned by the Speaker. The necessity for immediate construction of at least the ground floor was pressed.

6. This building was two-storeyed. There was a porch and a drive-way in the rear and a dining hall on the first floor above the porch. The auditorium of the Assembly Hall provided seating accommodation for 200 members and for 500 visitors in the galleries. The Council Hall had a seating accommodation for 60 members and the galleries had accommodation for 250 persons. Provision was made for a well furnished room for the Rajpramukh with a retiring room and bath. The chambers of the Speaker, Deputy Speaker, Chairman, Vice-Chairman, Legislature Secretary and seven Ministers were provided, with separate retiring rooms and baths. Provision was also made for a library, dining hall with kitchen, bath rooms, pantry and stores, lobbies, lounges and party rooms. Besides this, adequate office accommodation was also provided. Covered lounges on the lawns were also provided in the quadrangles. The second stage was to be construction of the Upper House of 60 members and the remaining office rooms. The total floor area of the building was 1,09,800 sq. feet.

7. There was neither any suggestion, nor any indication, that this accommodation was insufficient or that the design or the plans were unsuitable. It appears that only the financial considerations were in the way of its implementation. The Committee has examined the plans and elevation of this building and they are satisfied that it was an imposing building well-suited to the surroundings.

8. In view of the acute financial condition of the State however, the Government was unwilling to incur even this expenditure and desired that the plans and estimates might be recast to reduce the cost, keeping in view the modifications suggested by the Speaker.

9. Shri K. Hanumanthaiya, who was then the President of the Provincial Congress Committee, did not approve of the architecture of this building on the ground that it was of plain American style. Immediately after he became Chief Minister in April 1952, he directed preparation of plans for a combined building to accommodate the Houses of Legislature, the offices of the Ministers and Secretaries to Government, National Archives, Library, Party Rooms and other connected accommodation. No financial limit was fixed when this decision was taken. Provision was made in the Budget for the year 1952-53 for Rs. 4 lakhs for this work. The Government decided to spend out of this allotment a sum of Rs. 1 lakh for equipping the

* Vol. IV—Plans—Series (A).

† Annexure I—Vol. III.

temporary Legislative Assembly Hall in the Old Public Office Building with seats, galleries, etc., with a direction to use this furniture in the new building when it became ready. In the budget speech of 1952, the Chief Minister made this statement on the floor of the House.*

* Delivered on 23rd June 1952—Page 8.

CHAPTER III.

BUILDING COMMITTEE.

By Government Order No. P. W. 811-19—B. 2-52-1, dated 23rd April 1952, a Committee was constituted to consider all aspects and evolve a suitable design for the building, more of an Indian style than one of a purely Western style. It indicates that a suitable design had to be evolved for the House of Leigslature whose foundation stone was laid by the Prime Minister on 13th July 1951. Therein it was pointed out that—

> " Power of rule now vests with the people and therefore the design of the *House of Legislature* should be such as to convey this idea of power and dignity, the style being Indian, particularly of Mysore and not purely Western."

This committee consisted of officials and non-officials. Two more non-officials, Shri P. S. Subramanyam and Shri Venkoba Rao were added in July 1952.

2. On 9th June 1952, the Government Architect submitted a schedule of accommodation and plans of a three-storeyed building for the Houses of Legislature, with a floor area of 1,74,600 square feet. In his report he stated,

> " On the whole, the elevation is almost Dravidian in Character with the absence of carvings by a Sculptor, who is no more required to either tell the story or define the function."

In his evidence also, he stated that *he then considered ornamentation unnecessary for a building of this nature.*†

3. From the evidence of the Ex-Chief Minister and the Government Architect, it appears that even prior to 23rd April 1952, a combined building for the Secretariat and the Legislature was designed and its elevation was approved by the Ex-Chief Minister. According to Shri K. S. Gangadhara, who was then a member of the Committee as Secretary, Public Works Department, at the meeting of the Committee held on 25th July 1952 in the Chambers of the Chief Minister, he asked the Committee to evolve a design for the combined building.‡

Then he gave certain directions to the Committee. He stated,

> " ....the new building should be the biggest and most beautiful building in the Mysore State *and even if the cost went up to* 30 *or* 40 *lakhs of rupees it would not matter provided their intentions and purpose were fulfilled.* All the members should pay particular attention and assist in evolving a suitable plan for the building *which would stand as a beautiful stately structure and be a permanent building for all time to come. Sovereignty had been shifted from the palace to the Legislature and it was therefore imperative that the building should depict this transfer of power and reflect the power and dignity of the people. That should be the main characteristic of the building."*
>
> (italicizing is ours)

The Chief-Minister added that he was particular in seeing that the old Dravidian style was depicted, that the building should be a compact structure with accommodation on all sides instead of a building which stretched out lengthwise and that the building should have an imposing frontage on all the four sides. At the same sitting he directed that the work should be started immediately and anyway not later than the beginning of September 1952, *and that it must be executed with utmost speed. He wanted the work to be done departmentally* by piece-work and *amani* system, instead of by

† Vol. II—Witness No. 17.—Page 69—Para 9.
‡ Vol. II—Witness No. 16.—Page 66—Para 2.

scheduled contract. He asked the concerned officers to finalise the plans immediately and go ahead with the work.

4. Accordingly, on 28th July 1952, an Order was issued to do the following :—

"1. Provision should be made for locating National Archives in the basement floor.
2. Executive establishment should be posted immediately to be solely in charge of the building.
3. Arrangements should be made for collection of materials. Best materials should be secured. Forest Department may be requested to reserve the best teak available with them.
4. Foundation work should be started in the month of September
5. The work may be executed departmentally.
6. The seating in the Assembly Hall should be in the fan-shaped form.

The Chief Engineer was directed to carry out these instructions and to furnish a report in the matter. The Committee did not come across any report submitted by the Chief Engineer in compliance with these instructions.

5. By their Order No. P. W. 5836-37—Est. 40-52-3, dated 24th September 1952, the Government accorded sanction to the formation of a Public Works Division under a Special Engineer for the construction of this Building.

6. Initially, the Chief Minister wanted to get competitive designs. That was also the proposal of a member, Shri Venkoba Rao. However, before 27th August 1952, the Chief Minister dropped this idea and finalized the plans and elevation about that date.* These were placed before the last meeting of the Committee held on 3rd November 1952. The suggestion of Shri T. S. Narayana Rao that the domes at the end may be omitted was accepted by the Committee, but the Chief Engineer felt that this question could be decided later on at the finishing stage when the regular model was prepared. This was not done. The plans were approved by the Cabinet shortly after 3rd November 1952.†

7. Immediately thereafter, the plans were sent by the Government Architect to the Executive Engineer for preparation of detailed estimates. The Government Architect who was requested to prepare the report and the enclosures, submitted a draft report in June 1953 *i.e.*, six months later. It was circulated to members for approval. It was signed by all except Shri P. S. Subramanyam and Shri B. Venkoba Rao who did not receive it. A final meeting of the Committee was not held to finalise the report. On 19th December 1953, the Government Architect was requested by the Secretary of the Committee to complete the report and other details for its enclosures and he submited the complete report with plans to the Secretary of the Committee on 4th January 1954. They were not circulated to members for approval. The report, enclosures and the plans were forwarded to the Government on 6th January 1954 without the countersignature of the Speaker. There is nothing to show that the Speaker had approved of these plans.

8. The excuse for not obtaining the signature of these two gentlemen is not acceptable. Their addresses were in the file and the draft could have been sent to them by registered post acknowledgment due. There is no record that they were not found at their addresses. Finalizing the report by circulation was not agreed to at any earlier meeting. It was therefore necessary to convene a final meeting to approve the plans and report and sign them. A notice of such meeting should have been given to these gentlemen. The report cannot therefore be said to be the report of the Committee.

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* Witness No. 17, para 6—Vol. II Page 69.

† Para 7, *ibid*, Page 69.

Chapter III.

9. On 22nd April 1954, Shri Venkoba Rao wrote to the Chief Engineer enquiring whether any meeting of the Committee was called after 3rd November 1952 and suggesting that the Committee should be kept informed about the progress of construction. The Chief Engineer informed him that the Committee had finalized the plans and a report was being submitted to Government and consequently the Committee's work had come to an end. This was not correct.

10. The Chief Minister should have left the Committee to its deliberations and awaited their plans and report. On their accepting the plans, Government should have adhered to them. If any deviations were considered necessary, they should have been referred to the Committee for remarks. It is to be remembered that 7 out of the 10 members were employees of the State, who could not afford to express any views opposed to those of the Chief Minister. The Chief Minister called these members to his Chamber and gave them directions. Not only that, he finalized the plans and got such plans presented to the Committee. The unanimous suggestion of the Committee to omit the end domes was flouted by the Chief Engineer. These domes have been built at a cost of Rs. *3.84* lakhs without consulting the Committee. Several major deviations in designs and architecture involving a huge additional expenditure of about 35 lakhs have also been effected without reference to the Committee. The technical committee formed to decide details that may arise day-to-day relating to design, construction, art, etc., was also ignored.

11. The Standing Technical Advisory Committee was reconstituted by Government with effect from the 1st December 1953. The functions of the Committee were :

(*a*) to tender technical advice and opinion on outstanding matters in the Public Works and Electrical Departments in relation to projects and works of large magnitude and in particular of those estimated to cost over Rs. 10 lakhs,

(*b*) to review the progress of works of large scale projects after such periodical inspections as may be found necessary, and

(c) to advise Government on other subjects of engineering importance that may be referred to them from time to time.

12. Although several questions of importance within the cognizance of this Committee arose during the execution of this work, this Committee was not consulted nor was it requested to review the progress of work. One of us, (Shri M. Narasimhaiya) is a member of that Committee.

13. The Chief Minister constituted himself the final authority in the matter of architectural features including finalizing designs, working drawings, changes and additions to the structure, as will be clear from the extracts of his Inspection Notes* The Government Architect, the Chief Engineer and the Special Engineer had to carry out his orders. The statement of the Chief Minister that these changes were being put up to Government for sanction through the usual channels is not borne out either by the records in the Secretariat all of which, as informed by the Secretary, Public Works Department, were made available to us, or by the records of the Chief Engineer or the Special Engineer. The evidence of these officers is also the other way. His statement that the final word in these matters was of the Government cannot be accepted.

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* Annexure II—Vol. III.

Chapter III.

14. One witness complains that the Engineers and the Architect did not use their discretion and implicitly carried out the orders of the Chief Minister. These officers have deposed that they did express their views but that they had to carry out the orders of the Chief Minister, whose word was final. As Shri Narayana Reddy, General Manager, Bank of Mysore, has stated,

> "The head of the State or the Minister of the Department concerned should not interfere with the day to day execution of the work. Such interference is subversive of discipline and is likely to engender a sense of irresponsibility in the officers concerned."

As will be shown hereafter, there has been a sense of irresponsibility and a failure on the part of these officers to discharge their respective duties.

CHAPTER IV.

THE BUILDING AND ITS ARCHITECTURE.

Vidhana Soudha is intended to accommodate the two Houses of Legislature, the entire Secretariat Offices and several other offices. It is rectangular in plan, measuring 700 feet north-south and 350 feet east-west, with two inner open quadrangles on either side of the central wing measuring about 230 feet by 230 feet each. The northern wing with a ground and three upper floors is 63 feet 6 inches high, while the southern wing, with a cellar floor, a ground floor and three upper floors is 73 feet 6 inches high from the ground level. The central wing with a Banquet Hall on the ground floor and the Legislative Assembly Hall above, is about 112 feet high. The front elevation is high-lighted by a Central Dome which would rise nearly to 175 feet above the ground level.

2. The building has a total plinth area of about 1,32,600 sq. ft. and a total floor area of about 4,87,700 square feet.

The Legislative Assembly Hall.

3. The Assembly Hall, measuring 125 feet by 132 feet by 40 feet and located in the first floor of the central wing, has a seating accommodation for 254 members with provision for future expansion to accommodate about 100 more members by readjustment of the seating arrangements and by removing the Speaker's seat to the extreme western end of the Hall. The present seating accommodation is insufficient for a joint session. The visitors' galleries are intended to accommodate about 500 persons. The Hall is a R. C. C. framed structure, the roof load being taken by R. C. C. columns. The roof comprises of Trafford sheets laid over galvanized iron sheets. The Hall is enclosed by teakwood panelling with etched glass above. A curved ceiling of acoustic materials, *viz.*, fibre glass over holoplast is provided.

4. Ventilation is to be provided by an evaporative cooling system which is intended to maintain a temperature of 75°F. to 80°F. and humidity of 55 to 60 per cent during summer and a temperature of 70°F. to 80°F. and humidity of 50 to 60 per cent during winter.

5. The lighting is intended to produce uniform illumination avoiding shadows.

6. A bilingual sound reinforcement system is to be provided. Each member will control his own mike and will have independent ear-phones with master control on the table of the Speaker.

The Legislative Council Hall.

7. The Legislative Council Hall located in the southern wing measures 100′×78′×40′ and has a seating capacity of 88 members. The visitors' galleries are intended to accommodate 250 persons. The roof consists of steel trusses supporting a double roof as in the Assembly Hall. The panelling, ceiling, ventilation, acoustic treatment, sound reinforcement, lighting, etc., will be similar to those in the Assembly Hall.

Banquet Hall.

8. The Banquet Hall in the central wing measures 132′×125′, and is said to be sufficient to provide covers for 800 persons. It is attached with a kitchen with electric appliances, a servery, pantry, etc. The entrance to the Hall is from a pillared foyar on the flooring of which it is proposed to depict pictures, one from each district

of Mysore, representing its most noteworthy features or achievements. There are eight R. C. C. round pillars in the foyar, forming a circle of 60′ diameter to support the Central Dome which is about 45′ in diameter. The Central Dome will be about 175′ above the ground level with observation galleries at differenet levels to serve as outlook points to get a panoramic view of Bangalore and its environs. The Dome will bear electrically operated clocks on all its four sides.

9. The Secretariat proper providing accommodation for the Ministers, Secretaries and the general staff has a carpet area of about 2,55,000 sq. ft. including the general library hall, measuring 101′×43′ on the ground floor and a conference hall of like dimensions on the third floor of the northern wing, provision for records on the ground floor and National Archives in the basement floor of the southern wing. The safe room of the State Huzur Treasury is located in the basement floor and the State Huzur Treasury on the ground floor of the southern wing.

10. In addition to the above, the lobbies, foyar halls, verandahs etc., take up about 1,35,000 sq. ft. The building is served by grand stairs in the front and by seven stairs inside the building, four passenger lifts and a goods lift for records. The grand stairs is a flight of forty-five steps 204′ wide and 70′ deep giving a direct access to the foyar of the first floor leading to the Assembly Hall.

11. The main structure is of selected granite and polished red porphyry is used for decorative work.

12. The architecture of the building is stated to have been based on the Dravidian Style, comprising richly carved bases and capitals for pillars, deep friezes, kapotha cornices, chaithya arches, heavy pediments, domical finials, sculptures placed in nitches with architectural enframement, etc. At the same time, the construction has been on modern designs, making use of the present-day materials like steel, reinforced cement concrete, glass, plastic, etc. Modern principles of structural design and modern technique of construction are said to have been adopted.

13. Decorative wood work, ornamental ceiling plasters, mosaic flooring and terrazo works, and other allied arts, are intended to blend with the general architecture. The columns, parapets and railings are of cut stone work, heavily dressed and richly ornamental. The entire stone work on the outer face of the building is finished with palmane finish.

14. The building has three main porticoes of heavily embellished stone work. There are a series of balconies of cut stone finish and ornamental work at the corners ; the main facades, entrances to the staircases and lift-rooms and special doors have been finished with ornamental mosaic or wooden architraves. The cantilever brackets on either side of the Banquet Hall, supporting the galleries of the Assembly Hall, and all the window facades opening out into the two open quadrangles, have been rendered highly decorative.

15. For the foregoing paragraphs, the Committee has made extensive use of the article on Vidhana Soudha by the Government Architect Shri B. R. Manickam, published in the Mysore Dasara Exhibition Guide, 1955.

16. The instructions of the Chief Minister * issued from time to time direct the executive to imitate the architectural features found in different buildings in the State. His directions, for example, were : The window lintels adopted for 'Kumara Krupa' † may be adopted for the south quadrangle on the ground floor and the window balcony treatment at 'Kumar Krupa' with side pillars

* Annexure II, Vol. III.

† His official residence at the time.

treatment may be adopted for the second and third floors with modifications. The *Kotethene* on the south side being too plain, carving may be done in the same manner as is done at Subramanya Swamy Temple. The circular pillars at the entrance of the Dining Hall which are slender may be finished with step design as has been done at the Mysore Palace. The four slender pillars on the eastern entrance to the Dining Hall may be finished as per designs shown on the screens in the 'staging' at the Central College, Bangalore. The circular pillars in the front foyar may be finished with the design (selected by him) in the dais of the Central College. The pillars in the west facade may be finished with designs of pillars as at Basavanandishwara temple at Nandi. Roof panel treatment, beam treatment, cornice and other designs in the Somnathpur temple may be adopted where they fit in; and the sikaras by the side of main Gopuram may be adopted for small domes. The capitals as provided in drama scene of Lakshmi Theatre may be copied for circular pillars of the west vestibule.

17. Whether all this has produced an integrated architectural effect or not is a matter for experts to judge. But such a mode of designing architecture was not favoured by the Director, Archæological Department of the Government of India. He said:

> "It will be plagiarism, imitation, copycat work, epigonism, falsehood. Great art is created, not taken, lifted, stolen from somewhere else. Great art is made by men and women of our own day. Future generations looking at these buildings of 1956 with fake copies and replicas of work of art done thousand and more years ago, will justly say, slightly paraphrasing *Romeo and Juliet*: 'A plague upon all your houses'." *

The writer had in view the Government buildings at New Delhi. A similar view about Vidhana Soudha was expressed, though in intemperate language, in an editorial of the Indian Builder.†

18. In his report to the Building Committee submitted as far back as 9th June 1952, the Government Architect had expressed the view that it was not necessary to have in Vidhana Soudha carving by a sculptor "as he is no longer required either to tell the story or to define the function." Before the Committee he stated,

> "I then considered ornamentation unnecessary for a Building of this nature. At that time, my view was that the architecture should be suitable to the function of the Houses of Legislature and should not look like a temple." ‡

19. Shri B. V. Narayana Reddi stated:

> "For Secretariat and other offices, I would prefer a plain building without any ornamentation. This heavy expenditure on ornamentation of the building is a criminal waste of money and, besides, is quite out of place in an office. I do not think that all this expenditure was called for, was necessary or can be justified. §

20. "In ancient cities, individual dwellings were modest and unpretentious, while public buildings were dignified and beautiful. Palaces and castles, the abodes of reigning princes or their representatives, typified the power and dignity of the state, and nothing was too costly, no scale was too great to impress the people with their power and grandeur. The cities were rich and powerful, and their buildings were planned and adorned for the purpose of impressing

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* Published in *Indian Builder*—Reproduced in *Deccan Herald* dated 18th November 1956.

† Vol. 4, No. 5, May 1956, page 21.

‡ Witness No. 17, Para 3, Vol. II, Page 69.

§ Witness No. 5, para 3, Vol. II, page 36.

their citizens and those of other cities with their power and dignity." * The direction of Shri Hanumanthaiya to the Building Committee runs thus :

> " Sovereignty had been shifted from the Palace to the Legislature and it was therefore imperative that the Building should depict this transfer of power and reflect power and dignity of the people and that should be the main characteristic of the Building." †

On being requested to elaborate the idea, he stated that it was self-explanatory. In answer to further questions he stated :

> *Q.*—How was the transfer of power from Palace to the Legislature to be depicted in this Building ?
>
> *A.*—The size, the architecture and the beauty of the Building. Buildings have their own characteristics and convey ideas to the onlooker. Buildings have their individuality. I remember the debates that used to take place in the old Central Legislative Assembly at Delhi. Leaders like Shri Motilal Nehru, Shri Malaviya and others used to complain that the Delhi Secretariat Building was more prominently situated and constructed than the Parliament Building in Delhi. They used to say that the Parliament Building must be more prominent than the Secretariat Building. These ideas were in my mind when I gave the idea stated in the proceedings of the Committee as reproduced above."
>
> *Q.*—Was it the idea that the Building in its grandeur and architecture should look like a Palace ?
>
> *A.*—I had no such idea.‡

21. Though Shri Hanumanthaiya hesitated to own it, his idea manifestly was that the power and dignity of the Mysore State which before accession to the Indian Union was typified in the Palace at Mysore, the abode of the ruler of the State, was to be depicted in the Legislative Mansion (Vidhana Soudha) which is to be the abode of the Legislature of the State, through which the legislative will of the people of Mysore is expressed. It was his idea that in this legislative mansion shall be depicted the superiority of the Legislature over the Secretariat housed in the Old Public Offices (*Atara Katcheri*) opposite. The length of Vidhana Soudha was not to be less than that of the Old Public Offices. In his view, nothing was too costly, no scale was too great, in the construction of Vidhana Soudha, intended to be " the biggest and most beautiful and stately structure in the Mysore State," § with a view to impress upon the world including perhaps the Rajpramukh, this " reflection of power and dignity of the people." ¶ Shri Hanumanthaiya had therefore brushed aside the financial consideration, had brushed aside the fundamental principles of economic execution of public building works and had in fact brushed aside all factors which any prudent authority shall take into consideration in launching the execution of such a huge construction project.

22. In the absence of expert assistance, the Committee does not propose to state its conclusions.

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* ' Planning the Modern City ' by Harold Maclean Lewis, Vol. I, page 215.
† Witness No. 18, para 7, Vol. II, pages 72-73—also page 7 *infra*.
‡ Witness No. 18, para 7, Vol. II, pages 72-73.
§ Proceedings of the Building Committee, dated 25th July, 1952.
¶ (*Ibid*).

CHAPTER V.

SEPARATE BUILDINGS FOR THE HOUSES OF LEGISLATURE AND SECRETARIAT OFFICES.

In his letter to the Committee dated 16th November 1956, the Secretary, Mysore Legislature, has expressed :

> "It is also necessary in order to enforce the jurisdiction of the Speaker and Chairman in respect of the precincts of the Legislature Halls and its Secretariat that the portion made available to the Legislature Secretariat is separated off from the rest of the building."

In order to ascertain the views of Shri H. S. Rudrappa, the then Speaker, a letter of request was sent to him on 27th October 1956 to give evidence on any date and time convenient to him, but unfortunately there has been no response. Whether the views expressed by the Secretary are those of the Speaker or his own is not clear. The Committee has not entered into correspondence with the Secretary as he was found unwilling to assist the Committee.

2. Originally, the plans approved by the Speaker were for Houses of Legislature and Legislature Secretariat. Plans of Vidhana Soudha should have been submitted to the Speaker for his approval. The present huge building may not have come into existence if he had insisted on the separation of Houses of Legislature and allied accommodation from the Secretariat and other offices. It may be difficult, now to carry out the separation of the precincts without seriously affecting the architecture and utility of the building; but this may have to be faced to do the inevitable.

3. "Every City gives expression to the character of its civic life in its centres. The aim should be to make these dignified and spacious, with the architecture appropriate for the functions of the buildings and embodying the distinction that comes from simple outlines and good proportions rather than from ostentatious ornament"* Shri K. Hanumanthaiya takes the opposite view.

4. Shri J. M. Imam, Leader of the Opposition, is of the view that there can be no objection if the offices of the Legislature and the Secretariat are housed in the same building. According to him, there is some justification for spending money on decorations and embellishments for that portion of the building which is intended to house the Legislature, but for the other portion which is intended to be used for Secretariat and Offices, it might have been of a simpler type. Two different types of architecture in the same building as contemplated by Shri Imam are not possible. Shri B. V. Narayana Reddy is of the view that it would have been much better if the two buildings had been put up separately for the Legislature and for the Offices. For the latter, he would prefer a plain building without any ornamentation. The ex-Chief Minister Shri Hanumanthaiya, has told the Committee that leaders like Pandit Madan Mohan Malaviya and Pandit Motilal Nehru used to complain that the Delhi Secretariat was more prominently situated than the Parliament House and used to say that the Parliament House should be more prominent than the Secretariat building. This he wanted to achieve in Vidhana Soudha; and this was his idea when he told the Building Committee—

> "Sovereignty had been shifted from the Palace to the Legislature and it was therefore imperative that the Building should depict this transfer of power and reflect power and dignity of the people and that should be the main characteristic of the Building." †

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* "Outline of Town and City Planning by Thomas Adams"—quoted at Page 216 of "Planning the Modern City" Vol. I, by Harold Maclean Lewis.

† Witness No. 18, Para 7, Vol. II, Pages 72-73.

Chapter V.

This view or intention of Shri K. Hanumanthaiya could have been better carried out by separation of the two buildings: a simple building for the Secretariat Offices and a building with "ornamentation and embellishments" for the Houses of Legislature. That would have effected a saving of about sixty lakhs and would have saved the embarrassment that is likely to be caused by effecting separation of precincts now.

5. Shri Hanumanthaiya expressed the view that it is better to have the Legislature and the Secertariat Offices in one Building. He said that it was his experience as a Member of the Parliament at Delhi that this combination is economical and facilitates quick and smooth work. According to him, the combination would avoid double space and expenditure for the Offices of the Ministers and their Secretaries—one in the House of Legislature and another in the Secretariat and would also avoid delays that are likely to be caused in going from one building to the other. These considerations cannot be isolated from the other considerations set out in the foregoing paragraphs. Taking all aspects into consideration, the decision had to be taken in agreement with the Speaker and Chairman.

6. In this connection, it would be useful to consider the salient features of the Secretariat Building at Bombay which has a total floor area of 2,73,000 sq. ft. to accommodate 2,000 persons. It is a six-storeyed, air-conditioned building of the utilitarian type, befitting an office; and it is not at the same time totally devoid of special embellishments. Such special features are few and include teak-wood veneering for the Chief Minister's room, ornamental motif ceiling for the lobby in the main-entrance hall, a wall fountain in the courtyard, a bronze national emblem crest on the top of the Building and a miniature garden over the topmost terrace.

7. It is seen from a perusal of the drawings made available to the Committee that the Assembly House at Madras is of a practical or utilitarian type, without extravagant architecture, and unnecessary embellishments. The Assembly Hall therein provides for greater accommodation than in the Vidhana Soudha.

8. We propose to examine this question and the question of location of the building particularly from a financial point of view. The Building with two floors for the Houses of Legislature estimated to cost Rs. 33 lakhs had all the accommodation required for the Houses of Legislature, Chambers of the Ministers and Legislative Offices. Its plinth area was 58,700 sq. ft. and its total floor area was 1,09,800 sq. ft. The Lower House provided an accommodation for 200 members and the Upper House for 60 members. It was possible to enlarge the Hall of the Lower House to accommodate 80 members more at an extra cost of about 3 lakhs. The architectural features and embellishments contemplated by the ex-Chief Minister and the provision for speech reinforcement, air conditioning, etc., for that building would not have cost more than about Rs. 10 lakhs. Thus the maximum cost of the Houses of Legislature would have been about Rs. 46 lakhs.

9. The floor area of Secretariat and other Offices in Vidhana Soudha is 3,55,085 sq. ft., of which the usable area is only 1,49,860 sq. ft., giving a percentage of only 42.2 It provides accommodation for 1,500 persons. The percentage of usable area to the floor area is 57.3 in the Accountant General's Office. There has been thus considerable waste of space in the office portion of the Vidhana Soudha.

10. An Office Building having a floor area of 3,55,000 sq. ft. as in the Vidhana Soudha could have been suitably designed to have carpet area of 2,03,000 sq. ft. to accommodate at least 2,000 persons as against 1,500 as at present. Its cost based on the cost

of the Accountant General's Office would have been about Rs. 63 lakhs. Even granting that special features as in the case of the Bombay Secretariat to the optimum requirements had to be introduced, along with other adjuncts, such as additional lifts and staircases, separate garages, visitors' rooms (and lounges), etc., the cost would have been in the order of Rs. 10 lakhs. The total cost of the building for the Secretariat and other Offices would have been about Rs. 73,00,000.

11. As will be shown hereafter, the estimates for this Building have been deliberately understated, and the final expenditure is likely to exceed Rs. 180 lakhs, even allowing for the economies that have been effected as a consequence of the interim recommendations of this Committee. Otherwise, the figure would have exceeded Rs. 200 lakhs.

12. It would thus be seen that by construction of two separate buildings, an imposing and grand structure for the Houses of Legislature as visualised by Shri K. Hanumanthaiya and an economic, austere and utilitarian one for the Secretariat and other offices, there would have been a saving of about Rs. 60 lakhs.

CHAPTER VI.

LOCATION OF THE BUILDING.

When the foundation stone was laid by the Prime Minister on 13th July 1951, the scheme was for construction of the Houses of Legislature and the Parliamentary Home separately. The area required for these two buildings in the Residency Park area was about 850 feet North-South and 300 feet East-West. These two structures would have been constructed in different levels. The lie of the ground would not have therefore involved a large clearance of earth. One of these buildings, *i.e.*, the Houses of Legislature was therefore decided to be built opposite the old Secretariat Building. The other building would have been to its North at some higher level.

2. It is claimed that the present site is the ideal site for the Vidhana Soudha in view of its proximity to the Old Secretariat Building and other offices and its situation centrally between the Civil Area and the Old Cantonment Area. This combined building for the Houses of Legislature and the Secretariat is 700 feet North-South and 350 feet East-West. Such a huge building requiring a width of nearly 1,000 feet of ground had to be negotiated over an area where there was a marked side slope of nearly 20 feet—25 feet North-South, necessitating a large quantity of earth work, both in clearance and in formation, which has involved a heavy expenditure of about Rs. 6 lakhs. On sloping grounds, where levelling is inadvisable or too costly, the most economical siting and lay-out will be that in which the lengths of the building are parallel to the general direction of the contours. Secondly, the area has become congested and Vidhana Soudha has no direct approach from the south to the front portico. Nor has it spacious grounds befitting its magnitude.

3. Dr. Krumbiegel, a renowned architect of this State and a member of the Committee appointed to evolve a suitable design, had suggested the location of the Building further North and opposite the vacant area between the Old Secretariat and the Insurance Office. By such a location, the entire building would have commanded a good view from the Cubbon Park on the East. This location would have also resulted in more spacious area round the building, affording suitable approaches without affecting the importance of the Residency building which has its main approach on the South. The structure would also have been at a higher and imposing level, and would not have involved heavy earth work clearance and formation.

4. It was suggested to us that the building could well have been located on the old Parade grounds. This would have provided large open areas and approaches from all sides for this imposing building. Further, this site would not have been far away from the other office buildings.

5. " Every building scheme begins with an accurate survey of the site and its surroundings. Levels are taken across the whole site and over adjacent streets, and the conclusion drawn from this information will exercise a certain control on the relationship of the building to its environment ".*

6. But in the present scheme, no such survey has been made. The question of alternative sites and the saving in cost has not received the attention it deserved on account of the extreme haste with which the scheme was being pushed through without proper plans, estimates, etc. The whole proceedings show that no one, right from the ex-Chief Minister down to the Executive Engineer in charge of construction, bothered about financial considerations.

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* " Modern Office Buildings " by Michael Rosenauer, Page 35.

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7. Taking the basement level of the Old Public Offices as 100.00, the maximum and minimum ground levels have been 125.00 and 100.00 at the North-West and South-East corners respectively, resulting in the average level of 112 along the centre line of the building. This was the natural level of the soil there.*

8. With a view to have the Vidhana Veedhi almost on a level and with a view to have a terrace formation of the ground between the Vidhana Veedhi and the building, the formation level around the building was fixed at 112, resulting in a heavy excavation of at least 9 feet on the Northern side and an equal depth of filling practically to half the width of the building on the Southern side. The earth in front had to be retained by a sufficiently high masonry wall at the South-East corner which had to be rendered artistic in conformity with the frontage of the building.

9. In addition to this earth work, for (*a*) the location in conformity with the basement level, (*b*) the requirement of a level formation in front, (*c*) the negotiations of levels in Vidhana Veedhi and (*d*) the approach from the Old Secretariat, a heavy quantity of earth has been cleared on the Northern and Eastern sides. The total quantity of earth cleared is of the order of 3.5 lakhs cubic yards costing Rs. 5.3 lakhs. Including the cost of the work still to be got completed, the final figure is anticipated to be Rs. 6 lakhs in addition to the cost of about Rs. 1 lakh for the ornamental retaining wall, steps and railings on the South-Eastern Corner.

10. Before the formation of Vidhana Veedhi, the road level at the Circle to the North-East of the Government Press was 100.00 which gradually increased to 118 at the Cubbon Road in a length of about 2,000 feet. This gives a gradient of 1 in 111, which could have been retained in the formation of Vidhana Veedhi. Its level at its junction with the road on the Northern side of the building could have been fixed at 110. The building, the Vidhana Veedhi and the Old Secretariat are parallel to each other and the formation of the ground to a dead level in front of the Vidhana Soudha for the purpose of appearance could have been effected even with such a gradient for the road. Instead, considerable digging has been done to make Vidhana Veedhi almost level with a view to form terraces between the old Secretariat and the Vidhana Veedhi on the one side and the Vidhana Veedhi and the building on the other.

11. The meagre provision of Rs. 50,000 for levelling the ground, made in the Rs. 80-lakh estimate was reduced to Rs. 20,000 in the Rs. 50-lakh estimate which was submitted by the Special Engineer for sanction on 6th October 1953. By this time the basement level had been reached and the superstructure was coming up over almost the entire length. The Special Engineer could easily have calculated the quantities of earth to be dug for levelling the grounds and could have made a realistic provision in the estimate. These underestimates were designedly made.

12. An economy in the earth work could definitely have been effected by adopting the following measures:—

(*a*) Location of the building on a fairly level ground at a different site altogether, or to the North of the present location at a higher level, or

(*b*) Fixing the basement level of the building at a higher level than 116, and

(*c*) Alignment of the Vidhana Veedhi in a gradient from South to North instead of in a very gentle slope.

13. The present basement level of 116 cannot be said to be the optimum or the most suitable, as a higher basement level would,

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* Contour Plan—Annexure No. III—Vol. III.

except for necessitating a greater depth of filling near the retaining wall, on the South-East of the building have resulted in certain definite advantages. Such a higher basement level could have been fixed at 120, the ground formation in front being 116. With these levels for the basement and for the formation of ground in front, the filling depth on the South-Eastern side, adjacent to the retaining wall, would have been 13 feet. The formation in front would have involved an average depth of filling of 8 feet on the Southern portion of the building and a depth of 4 feet in the centre, there being a necessity of only 2 feet clearing on the North-Eastern corner. The depth of clearance at the North-Western corner would have been only 7 feet. The natural ground levels and the formation are shown in the plan.*

14. No doubt, by the location of the building at the present site of side-long ground and the required level formation of the foreground for purposes of elevation, the retaining wall at the South-East corner and the required filling up in front for the Southern half were inevitable.

15. Even with a credit for a longer length for the retaining wall on the South-East corner, in case the same width of formation as at present had to be kept up to facilitate the terrace formation, the earth work clearance and formation for the building and the surroundings would have been considerably less resulting in a saving of nearly a lakh of rupees.

16. The ground floor level would have been 120 and the first floor level 134 and it would have been easier to negotiate for a flight of steps along with a nice portico at the front. The grand flight of steps as constructed lead to the first floor, straight to the Assembly entrance, and has cost nearly Rs. 1.6 lakhs. The general entrance to the building is behind the steps through the portico and for approach to the lifts. The flight of steps are only ornamental and they have practically no use. Therefore a portico in front, fairly wide, common to the ground and first floor, with a flight of steps of the covered type, and to the rear of it, would not have been out of tune with the main elevation of the building. A general section of the disposition of the portico and the flight of steps in relation to the front ground level and the building level is given in the annexure.† This modification would have resulted in an additional saving of Rs. 50,000 in addition to the introduction of a decent portico in conformity with the architecture adopted for the building.

17. The ground level along the southern face of the building from East to West being at a level of 103 and easily accessible from the Residency Park Road, a number of garages could have been housed in the building proper in addition to providing area for the records, or, in the alternative, the full area in the basement could have been earmarked for the record, and the area on the ground floor could have been made available for the office. Such location of garages in the main building has been resorted to in the Bombay Secretariat.

18. It will thus be seen that the location of the building at a different place altogether would have been desirable from every point of view. In the alternative, the building should have been located on the Northern part of the same area. At any rate, the basement level of the building could have been fixed at 120 and the flight of steps could have been substituted by a portico. This higher basement level would have provided additional room for records, and the space on the ground floor could have been saved for offices. These changes would have saved a heavy outlay on earth work and there would have been a saving on all counts of about Rs. 4 lakhs.

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* Annexure III—Vol. III.

† Annexure IV—Vol. III.

CHAPTER VII.

ESTIMATES.

The importance of estimates cannot be overemphasized. It is a fundamental rule that the commencement of the execution of a public work shall not be definitely authorised by any authority whatever, unless properly detailed designs and estimates have been prepared and approved. Permission granted by Government in orders on a budget estimate, for the retention of any entry of proposed expenditure during the year on a work, conveys no authority for work and for incurring outlay until the above condition has been fulfilled.*

2. The plans and designs have to be prepared in consultation with the authority for whom the work is to be executed and they have to be finally approved by them. The proposal for incurring expenditure for such work in the Public Works Department has then to be submitted to the administrative department concerned for formal acceptance. Such acceptance is known as administrative approval. It is, in effect, an order to the Public Works Department to execute certain specified works at a stated sum to meet the administrative needs of the department requiring the work.†

3. Administrative approval merely gives consent of the administrative department for the need to take up the work at a specified sum. It is not an authority to start it. After administrative approval is obtained, the detailed estimate has to receive the technical sanction of the Public Works Department. If, in working out the detailed estimates or during execution, it is found necessary to make any important deviation from the design to which administrative approval has been obtained, such approval has also to be obtained to the deviation. A report has to be submitted with the detailed estimates giving a brief review of the circumstances leading to the necessity for undertaking the work, the extent of the work involved, the cost of work, allocation of charge under budget or other head of account, proposed method of execution, whether by departmental or other agencies with or without tenders, when the work is expected to be commenced and completed, etc. In respect of rates provided for items of work not contemplated in the sanctioned schedule of rates, data sheets as to how each rate is arrived at, should be furnished. The estimate must be got countersigned by competent authorities as required by the rules. The Divisional Officer has to certify that the estimate has been prepared adopting the sanctioned schedule rates and providing for the most economical and safe way of executing the work. No item showing a lumpsum provision should be included in the estimate irrespective of the cost, if complete details can be worked out and shown in the estimate stage itself.‡

4. No work should be commenced until the estimate has been duly sanctioned and funds allotted therefor.§

5. In case of urgency, the Chief Engineer may, by order in writing, authorise commencement of a work without a sanctioned estimate. In such a case the Divisional Officer must immediately intimate to the Accountant General that he is incurring a liability for which there is no sanctioned estimate and/or budget provision and should, at the same time, state approximately the amount of the liability which he is likely to incur by compliance with the order of the Chief Engineer. A rough estimate should also be prepared and

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* Mysore Public Works Account Code, Para 27.
† Para 1(1), *ibid.*
‡ Mysore Public Works Account Code, Para 25(iv).
§ Para 29(a) *ibid.*

sent for the guidance of audit explaining the urgency, when starting a work without detailed sanctioned estimates. Unfortunately, there is a persistent non-observance of these fundamental principles and salutary rules in the Mysore State.

6. With regard to Lakkavalli Project, the Public Accounts Committee made the following observations in its Report on the Audit and Appropriation Account of the year 1949-50 made on 12th October 1951 :—

> " It is seen that the department sought only administrative approval for the project at the time. They should have obtained technical sanction for the project subsequently before they took up the execution of the works ; and even if it was not possible to prepare detailed estimates for every part of the project before technical sanction was obtained, the department should have at least prepared the detailed estimates of the component parts of the project, which they had taken up for execution and obtained sanction for the same as per Article 82 of the Mysore Public Works Account Code. The Committee found that even that has not been done in the case of most of the component parts.
>
> * * *
>
> The Committee could not accept this explanation, however useful a purpose it might have served in the matter of expediting the project. This cannot be considered a purely formal one—because without the detailed estimate, the Audit Department could have no basis for checking whether any expenditure was within the sanctioned amount and could not say whether the expenditure was regular or not.
>
> The Committee felt that in the case of such big projects it was necessary to see that every pie spent was regular and observed that the department should take immediate action in getting the sanction and communicating it to the Accountant General with the estimates." *

7. In reviewing the Audit Report for 1948-49, the Government directed that the rules relating to preparation of estimates and obtaining sanction therefor should be strictly adhered to.†

8. In the following year, the following important irregularities *inter alia* in the Public Works Department were brought to the notice of the Committee :—‡

(*a*) Agreements either defectively executed or not executed at all.
(*b*) Execution of works and payment of final bills before the estimates were sanctioned.
(*c*) Acceptance of tenders for works either in excess of the financial powers delegated or before the estimates were sanctioned.
(*d*) Purchase of large quantities of materials without an estimate.
(*e*) Inordinate delay in the submission of important account schedules and documents such as the Consolidated Treasury Receipts, Statement of Unpaid Bills, etc.
(*f*) Large differences between book and counted balances in the stock and tools and plant account.

It was observed that these irregularities were " of a serious nature and if prompt action is not taken to rectify the defects, there can be no safeguards against frauds and extravagant expenditure."§

The Committee further observed :

> " The absence of sanctioned estimate gives room for suspicion that they are deliberately kept back to vary the rates and quantities arbitrarily and this is likely to result in corruption and malpractice." ¶

9. As regards the Tunga Project, the Committee desired that Government should appoint a Committee to enquire into the accounts

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* Report of the Public Accounts Committee on the Audit and Appropriation Account of 1949-50, pp. 15 and 16.

† Page 44, *ibid.*

‡ Report of the Public Accounts Committee on the Appropriation Accounts, 1950-51 and Audit Report, 1952, and Finance Accounts, 1950-51 and Audit Report, 1951, dated 27th August 1954.

§ Pages 9 and 10, *ibid.*

¶ Page 11, *ibid.*

of the Project and ascertain reasons for the large increase in the estimates from Rs. 50 lakhs to over Rs. 2 crores and delay in the submission of these estimates. The Committee further recommended that except in emergent circumstances as provided for under the rules, if any work or works are started without a properly sanctioned estimate the concerned Divisional Officer should be held personally liable and severe action taken.

10. When the Chief Engineer submitted that it was difficult to obtain technical sanction before commencement of work as surveying, detailed drawings and other details take considerable time before detailed estimates could be prepared, the Chairman, Shri K. Hanumanthaiya, who was then the Chief Minister and Finance Minister, observed—

> "The point is quite different. The difficulties are there. But the point is, administrative and technical sanction as well should have been obtained before you commence(d) the project." *

He impressed on the Chief Engineer that the advice in the preceding Report must be followed and that stage estimates as contemplated by the Code should at least be got technically sanctioned before commencement of the work. He further stated that the rules must be strictly adhered to.†

11. In the following year, the Public Accounts Committee observed that except in emergent cases as provided for in the rules, if works are started without properly sanctioned estimates, the concerned Divisional Officers should be held personally responsible for contravening the rules.§

12. In the Report on the Appropriation Accounts, 1952-53 and 1953-54, the Public Accounts Committee made the following observation regarding the Public Works Department :

> "During the periods covered by the Audit Reports, 1954 and 1955, the irregularities in the Public Works Department continued to recur on the same scale. Though the Chief Engineer assured the Committee that effective action had been taken to clear the outstanding objections and avoid execution of works without sanctioned estimates, the Committee is not satisfied of the progress achieved. Government should take a serious note of the irregularities in the Audit Report and take disciplinary action against the Engineering Officers who execute works without observing financial rules. As observed in the report of the previous year, the Public Works Department should be warned not to resort to rush of expenditure. The efficiency of that department should be judged from the progress which has been achieved without recourse to serious financial irregularities." ¶

13. Referring to the inspection of the Accountant General of the Vidhana Soudha conducted in March 1955, the Estimates Committee observed :

> "It may be seen therefrom that estimate of Rs. 130 lakhs prepared 2 or 2½ years after the commencement of the work cannot be in any sense called an estimate. It can at best be an estimate as per actual execution. This would mean that in a departmental work like this where large public funds are involved, care has not been taken to ensure economy as the work has been executed without a duly sanctioned estimate." ‡

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* Page 56, *ibid.*

† Pages 57 and 58, *ibid.*

§ Report of the Public Accounts Committee on the Appropriation Accounts, 1951-52 and Audit Report, 1953, and Finance Accounts, 1951-52 and Audit Report, 1952, Page 49—dated 10th March 1956.

¶ Report of the Public Accounts Committee on the Appropriation Accounts, 1952-53, 1953-54 and Audit Reports 1954 and 1955 and Finance Accounts 1952-53, 1953-54 and Audit Reports 1953 and 1954, dated 24th September 1956, page 9.

‡ Estimates Committee Third Report, 1956 (Industries Department), presented on 4th April 1956, Page 16.

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The Committee relied on the observations of the Public Accounts Committee referred to in para 8 above.

14. The Committee further observed:

"It was the responsibility of the highest authority who has taken up this work to have provided suitable safeguards for checking expenditure and maintaining the accounts to satisfy audit and the public. Now that the work has reached final stages, it would be impracticable to build up the accounts to satisfaction. Even from the point of view of a citizen, it is evident that considering the utility of the building, it was unnecessary to have invested public money for architecture, decorations and other excessive comforts. In our opinion, the same utility could have been secured for half the cost with all the modern appurtenances. We also learn that in addition to Rs. 130 lakhs, heavy expenditure has to be incurred by other departments for formation of roads, gardens, etc. We suggest that the expenditure incurred on this building has to be thoroughly scrutinised by a small Committee of Engineering and Financial experts so that the wastage which could have been avoided and reasons therefor could be brought out and this may be a guidance for the future administrators to regulate public expenditure with due regard to necessity, financial propriety, resources and economy." *

15. The Finance Enquiry Committee also observed:

"The practice of starting the works and even completing them, without any estimates is said to have assumed serious proportions.

* * *

Besides, designs are frequently varied and estimates revised as a result of it.

* * *

In these circumstances it is very necessary to regulate the expenditure on works strictly in accordance with the provisions of the Public Works Accounts Code and, in bad cases, to surcharge the officers found responsible for avoidable or wasteful expenditure." †

(*Italicizing ours*)

16. It should thus be clear that an estimate is not a mere formality. Codal rules apart, the detailed plans and estimates are necessary for the subordinates executing the work to know what exactly they are expected to do. They are necessary also to procure the best materials at the cheapest market rates and to plan proper execution of the work without wastage of labour. A proper estimate of a public work costing several lakhs of rupees is also necessary for appreciation of its financial impact on the resources of the State. In making such a provision, it is necessary to consider whether there are other urgent works requiring priority and whether it is possible to reduce the cost either by omitting any portion of the work or by reducing the specifications without affecting efficiency. This will hold good whether the work is done departmentally or given on tendered contract. None of the Engineers examined by the Committee has stated that estimates are not necessary for departmental execution of works.

17. Shri K. Hanumanthaiya, who is evidently responsible for this Project stated that he had no idea of the probable cost of the building. He did not discuss with the Engineers the question of cost at any time. He did not care to examine the question of cost either when he ordered construction of the building or the addition of the third floor or any of the major deviations. In answer to a question whether he had any idea of the cost of the Project, say in the middle of 1954, he stated:

"Either on that date or subsequently or previously, I had not in my mind a fixed figure. The four-storeyed building plan was there and whatever was required to complete that building had to be provided was my idea."

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* Page 17, *ibid.*

† Report of the Mysore Finance Enquiry Committee, 1956, Volume I, paragraphs 8-34, Chapter 8, Page 96.

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In fact, Shri Hanumanthaiya never bothered himself about the question of cost at any stage. He got the plans of the building prepared, ordered execution of work departmentally, made various deviations as and when it struck him, and got a building of his choice constructed. The cost was to take care of itself. Estimates, administrative sanction and technical sanction were naturally an *anathema*. Execution of work under these conditions was evidently not possible by contractors. The inconsistency between his stand taken as Chairman of the Public Accounts Committee and his stand as the architect of the Vidhana Soudha cannot otherwise be explained.

18. On 25th February 1956, Shri Hanumanthaiya told the Legislative Council that the formalities of preparing estimates before starting work were not observed because the Government wanted to construct the building quickly. He stated that the usual rule that before a building is constructed, an estimate has to be prepared and sanctioned was not observed in the case of Vidhana Soudha as the work was not to be entrusted to any private contractor. He said :

> " The Government itself is building and the material and things are being purchased directly by Government and there is no danger of any money being misspent because it is not entrusted to a contractor or other agency. It is the Government that is building on *amani* basis. The deviation of the rule does not result in any loss to Government or any disadvantage to Government."

Shri Hanumanthaiya has thus taken the strange view that no estimate is necessary if the work is to be executed departmentally, evidently, to justify his otherwise unjustifiable action.

19. Shri Hanumanthaiya justified his commencement of the work without plans being finalized, without estimates and without having any idea of the probable cost, on the ground that the work had to be executed expeditiously in view of the growing demand for office space and on the ground that he did not consider it right to go in the routine way which would involve a long delay. He observed :

> " Since it had been decided to construct departmentally no complications would arise. If the Building had been entrusted to a contractor, great many difficulties would have arisen in regard to rates, etc. The work being done departmentally was a safeguard against all difficulties which would arise in the case of the Building being started immediately. The plans had been finalized so far as the dimensions of the Building were concerned. Therefore, the foundation, excavation and the Building upto the plinth level could easily be executed and within that time the estimate could be prepared as required." *

20. Such statements by Ministers and particularly by a Chief Minister are bound to engender a sense of irresponsibility amongst the executives and encourage them to ignore the rules and the requirements of economic execution of work, and should be deprecated. This has emboldened the Special Engineer to state in his evidence : —

> " In deciding on departmental execution, *saving of money is a secondary consideration.* The main consideration is avoidance of trouble with the contractors in settling their claims." †

21. Shri Hanumanthaiya had to admit that for economical execution of work by departmental agency, it is necessary that it should be done by expert competent engineers who had experience of execution of such work and that they must act honestly and diligently. There must also be a proper organization for execution and for maintaining proper accounts. Last, but not of the least importance, is the preparation of the detailed estimates duly scrutinized and sanctioned by competent authority.‡ This statement is inconsistent with the stand he has taken in the execution of the Vidhana Soudha.

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* Witness No. 18, Para 12, Vol. II, Page 74.
† Witness No. 2, Para 28—Volume II, Page 7.
‡ Witness No. 18, Para 16—Volume II, Pages 75-76.

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22. As regards the expeditious execution of work by departmental agency, the Chief Minister had no idea of the time that was necessary for completion of the project. All that he was particular about was that the work must be carried on without any delay. There was no planning or planned execution of work. Without such planning, completion targets fixed and varied from time to time, were bound to be unrealistic and unworkable, leading to avoidable expenditure all round. A desire for expeditious execution of work is no justification for violation of all rules and cannons of prudent execution of works.

23. Because of commencement of the work without finalised plans and estimates, the building which was intended to cost about Rs. 30-40 lakhs will now cost more than Rs. 180 lakhs, notwithstanding the economies of over Rs. 20 lakhs ordered by Government on the recommendations of the Committee.

24. Under these circumstances, it would be permissible to come to the conclusion that all this was designedly made, to force the hands of Government to find whatever funds may be required for this huge scheme, conceived and designed to cost two crores or more.

CHAPTER VIII.

METHODS OF EXECUTION.

Recognised methods of carrying out works in the Public Works Department may be classified as under:

(a) *Contract*—
  (i) works of construction under supervision in which the contractor undertakes to provide the whole or part of the labour, material or plant required and to perform the work under the direction of the departmental engineer,
  (ii) supply of material.

(b) *Departmental*—
  (i) piece-work or petty contract,
  (ii) task work, and
  (iii) daily labour or *amani*.

(c) *A combination of* (a) *and* (b).

The term "contract" as used in the Code has a restricted meaning and does not include labour agreements. These contracts are of three kinds: lumpsum, schedule and a combination of these two.

2. Schedule contracts are those in which the contractor undertakes to execute the work at fixed rates, the sum he is to receive depending on the quantities and kinds of work done or materials supplied. Such contracts are preferable as it is generally necessary to provide for alterations in the original designs which may be subsequently found essential. In case of items not covered by the schedule of rates given in the contract, provision is made for fixation of rates by mutual agreement or by a referee.

3. In the departmental execution of work, all the materials and other facilities are supplied by the Department and the work is executed under direct supervision. The labour employed is paid in one or more of the three ways specified above. In piece-work system, only the rate is agreed upon. There is no time limit, and the agreement is terminable without notice. Payment is made at the rates agreed. No restriction is imposed on the quantity of work to be performed daily. In task work, the quantity of work to be turned out by the worker is stipulated and his wages fixed. In *amani* system, the labour is employed on muster roll and their wages are charged to the estimate of the work on which they are employed. This system is resorted to only when absolutely necessary in cases of paucity of contractors in any locality or where for other reasons it is found to be most economical.

4. The practice in the Mysore Public Works Department is invariably to call for tenders in respect of large buildings, to get the work done by one or more contractors. In fact, while submitting the estimate for Rs. 23.64 lakhs on 12th December 1951 for administrative approval, the Chief Engineer sought permission to call for tenders.

5. In Vidhana Soudha, the flooring work and allied works, like lifts, air-conditioning and sound reinforcement, were given on contracts. The other works were done departmentally. Simple work which could easily be given on contract was done on nominal rolls. The dressing of stones, pillars and architectural embellishment work was given on piece-work and task work. According to the Special Engineer, the break-up is as under:

	Rs.
(i) Nominal Roll	32,93,789
(ii) Piece-work	14,00,000
(iii) Task work	1,20,000

As is pointed out elsewhere, this has led to uneconomical execution of work and wastage, let alone the possible misappropriation of Government funds and material.

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6. It is difficult to appreciate the reasons which impelled adoption of this method of execution of works. The direction that work may be done departmentally was given by the Chief Minister on 25th July 1952 without examining the economies of such execution and without receiving any such proposal for his consideration. In conveying these directions of the Chief Minister three days later, Sri K. S. Gangadhara, who was then the Secretary, Public Works Department, asked the Chief Engineer to cause necessary action being taken in accordance with the instructions and to furnish a report in the matter. No such report was submitted. The Chief Engineer did not examine this question at all. Sri K. S. Gangadhara stated that in issuing the direction for departmental execution of work, the idea was to save the contractor's profits and ensure quality of work. He stated that as a matter of fact, the departmental work was always cheaper.* According to the Special Engineer the saving could at best be five to six per cent on scheduled items.† The Chief Minister stated :

> " Since it had been decided to construct departmentally, no complications would arise. If the Building had been entrusted to a contractor, great many difficulties would have arisen in regard to rates, etc. The work being done departmentally was a safeguard against all difficulties which would arise in the case of the Building being started immediately." ‡

The Special Engineer stated, " in deciding on departmental execution, saving of money is secondary consideration. The main consideration is avoidance of trouble with the contractors in settling their claim.§ He further stated :

> " Since the work was ordered to be executed departmentally it was not necessary to have the designs and programme of works ready before executing the work,.... " ¶

7. In June 1953, the Special Engineer made the following proposals to the Superintending Engineer for execution of the work :

(*a*) all foundation concrete work will be done departmentally ;
(*b*) foundation masonry will be executed departmentally till all the stones collected at the spot are utilized by purchasing the required number of bond and size stones ;
(*c*) all wood work, stone polishing and veneering work, art and all other finishing works and furniture will be done departmentally ;
(*d*) all stone masonry work, stone pillars, R. C. C. works, plastering etc., will be distributed on task work system to contractors capable of giving a monthly progress over Rs. 50,000.

It was added,

> " By this means the resources of all the contractors in respect of labour, materials and transport facilities will be pooled which is a great asset towards speedy execution."

Thereafter, he called for tenders for items of work (*d*) as stated above and received a good response from as many as 11 experienced engineering contractors of resources and good reputation ; but the Special Engineer recommended rejection of the tenders on the following grounds :

> " 1. The object of calling for tenders is to arrive at minimum present market rates to serve as a basis for settling rates for distributing certain items of work on piece-work system.
> 2. It is discovered subsequently that R. C. C. work involved in this work is far too heavy than the quantity noted in the notification, being about 3 lakhs C.ft. against 25 thousand C.ft. as specified in the notification. Besides, the quantities of masonry also differ from

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* Witness No. 16, paras 3 and 4, Vol. II, page 66.
† Witness No. 2, para 15, Vol. II, page 5.
‡ Witness No. 18, para 12, Vol. II, page 74.
§ Witness No. 2, para 28, Vol. II, page 7.
¶ Witness No. 2, para 27, Vol. II, page 7.

estimated quantities. This has not given a correct picture of quantities to all the intending contractors and as a result the minimum rates obtained for R. C. C. work are not favourable compared to working rates obtained by departmental working rate. This forms a major item in the estimate and involves several lakhs of rupees excess cost between the rates quoted and actual working rates.

3. On account of such defective notification, contractors were unable to quote competitive rates.

4. There are several items not included in the tender for which the contractors will claim data rates."

8. At this time, full-scale models of the proposed stone pillars with all the necessary carvings had been erected. Several contractors, after studying these models, had submitted their rates. This work was of several lakhs. The detailed estimate for Rs. 80 lakhs was also ready. *There was, therefore, no excuse for drawing up the tender notification carelessly. No departmental working rates were worked out at that stage, and it was incorrect to say that the tendered rates were higher than the departmental rates.* Claim of data rates by contractors for non-scheduled items is not a ground for rejection of tenders. There were thus no valid grounds not to give this work on schedule contracts. The Special Engineer had to admit that some of the tendering firms were firms of repute who were capable of executing the work. It is, therefore, manifest that the Special Engineer had no intention to get the work done through suitable contractors. Some of these contractors were even prepared to carry out the work on piece-work system. By cancellation of these tenders and the unbusinesslike ways of dealing with them, the Department was deprived of their resources in respect of labour, materials and transport facilities which would have been a great asset towards the intended speedy execution of work. Instead, the Department had to depend on a number of petty piece-workers without resources with all the attendant difficulties and evils.

9. In this way, the Special Engineer involved himself hopelessly in innumerable transactions of purchase of materials of all sorts leading to irregular and, in several cases, questionable procedure. He did not save himself from trouble in settling the several claims which was said to be the sole object of departmental execution of work.

10. The Special Engineer chose to have practically all the ordinary items of work, such as stone masonry for walls, R.C.C. work including R.C.C. roofing, plastering, etc., executed on nominal rolls employing a large number of people on daily wages. By judicious selection of items, the Special Engineer could easily have arranged to distribute these items on contracts amongst experienced and resourceful contractors who were readily available.

11. An enormous quantity of dressing work involved in architectural embellishments was given on piece-work and task-work to individual workers and contractors. For work that was not given to such contractors, chiselers were recruited from outside. Money advances had to be given to these chiselers and also to chiseler-contractors. The manner of keeping records of these advances was very unsatisfactory. There was considerable scope for overpayments, if not misappropriation.

12. In regard to timber work including doors and windows, timber was obtained from the State's Forest Department. A saw mill and a seasoning plant were established by the Department to obtain the necessary planks and scantlings. Only joinery work was given out on quotations to different piece-workers. This particular work appears to have been carried out satisfactorily.

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13. Standard rates for several items of work normally adopted in the Public Works Department are based on the prevailing rates of the materials and the wages of labour which vary from place to place, depending on the availability, proximity and other causes; and these are incorporated in a schedule which is approved by the competent authority. Such schedules are prepared for each financial year in the beginning of that year.

14. As work was done mostly on nominal rolls and the remainder on labour contracts, it was most important to see that works were carried out at economical rates. It was, therefore, necessary that datas were worked out, approval obtained and the work proceeded with. The cost of materials, cost of labour and all overhead and incidental charges that go towards the completion of work in all respects have to be included in working out datas. In cases of complicated items, such as special types of dressing, data should have been fixed after a small portion of the work was carried out under close supervision and scrutiny. Datas for works had to be based scrupulously on specifications to find out the actual working cost to serve as a standard in particular work.

15. It was necessary to have a committee of engineers not connected with the Vidhana Soudha to prepare a schedule of rates for execution in this Division after a careful scrutiny. Such a proposal made by the Special Engineer was opposed by the Chief Engineer on the ground that it encroached on his statutory powers as final authority in the matter of rates. But the Chief Engineer did not insist that proper data rates were approved by him before any item of work was undertaken. Without having any data rates, work was given to piece-workers, task-workers and contractors. Attempts were made to prepare datas after the entire work had been executed. The number of such datas approved, so far by the Chief Engineer is only 22 while about 580 datas are under various stages of disposal. If the rates had been fixed in advance, it would have been possible to distribute the works among several contractors on piece-work system at economical rates. These data rates should have been the basis for the Rs. 130-lakh estimate.

16. The remarks on the datas said to have been prepared as per actuals are to be found in Annexure.*

17. Thus the Departmental execution of work has also not proved cheaper. The Special Engineer had not kept the question of economy in view. According to him that is not the object of such execution of work. With proper supervision, quality work can be turned out in contract work as in Departmental work. Without it, the work turned out may be bad in either case.

18. The Committee is of the view that there was no advantage in executing the work departmentally. The little saving imagined by the Special Engineer was also not possible. On the contrary, there were many difficulties for successful execution of this work of large magnitude which have led at least to avoidable expenditure.

19. As admitted by Sri K. Hanumanthaiya, for economical execution of work by departmental agency, it is necessary that it should be done by expert competent engineers who have experience of execution of such work and that they must act honestly and diligently. There must also be a proper organization for execution and for maintaining proper accounts. Last but not of the least importance is the preparation of the detailed estimates duly scrutinised and sanctioned by competent authority.† Sri K. S. Gangadhara stated the work must be done diligently, honestly and by competent

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* Annexure V, Vol. III.

† Witness No. 18, para 16, Vol. II, page 76.

persons, and there should be a proper organisation both for execution and also for accounts.

20. As to the qualification and experience of Shri Muniappa who was posted as Special Engineer, the Chief Minister stated :

> " I think he must be a civil engineer because he was doing civil engineering works in all his service.....
>
> Before making his appointment as Special Engineer I had seen his work as Executive Engineer, Kolar District. He had done Building and other works in the Division within the jurisdiction of an Executive Engineer." *

As will be shown presently, the Chief Minister did not satisfy himself as to his competence and experience to be placed in charge of this work of large magnitude.

21. Shri Muniappa has admitted that he is a Mechanical Engineer and that he was never in charge of any work which was executed departmentally. No doubt, he was in charge as Executive Engineer of Chitaldrug and Kolar Divisions which include roads, buildings, bridges and irrigation works. But that did not qualify him as a Special Engineer for Vidhana Soudha Division. Shri K. S. Gangadhara, the then Chief Engineer, who recommended his appointment as Special Engineer stated :

> " Mr. Muniappa is not a civil engineer but a mechanical engineer. He was not in charge of execution of any Building work of importance. I recommended to Government his appointment as Special Engineer because the work was to be executed departmentally and that an honest officer like him should be in charge. He was being assisted by competent executive staff and consequently his inexperience would not affect proper execution of the work. My instructions to him and the Architect were that details of designs and execution should be approved by me and that nothing should be done without my approval." †

Sri Gangadhara expected that Sri Muniappa would be guided by him in the day to day execution of the work. But the experience was otherwise. He added :

> " There were some instances where the Government Architect did not implement my instructions. In this regard, the Architect and the Special Engineer were one and the latter also did not implement my instructions on several occasions. When the situation was getting out of control, I made the report dated 22nd—24th November 1954 to Government." ‡

He retired on 23rd November 1954.

22. Sri Muniappa had worked at Kolar for a year and a half under Sri T. Ramaswamy Iyengar. He also stated that Sri Muniappa was not in charge of execution of any building work of any magnitude.§ He said :

> " In the preparation of estimates, Mr. Muniappa was in need of technical help. His Assistant Engineers were very good people ; and they could have prepared detailed estimates correctly if they were entrusted with the job." ¶

The evidence on record indicates that Sri Muniappa was not prepared to be guided by his superior officers and was not amenable to their control.||

23. As his evidence shows, Sri Muniappa had very little knowledge of accounts either before or after he became Special Engineer. He stated :

> " After I took charge I did not study the Accounts Code and the requirements of the proper maintenance of the accounts in the Division. I relied solely on my Accounts Superintendent."**

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* Para 17, *ibid.*, page 76.
† Witness No. 16, para 14, Vol. II, page 67.
‡ *Ibid.*
§ Witness No. 6, para 13, Vol. II, page 38.
¶ Witness No. 6, Volume II, para 16, page 39.
|| Witness No. 3, Volume II, para 17, page 28.
** Witness No. 2, para 9, Vol. II, page 4.

As a Divisional Officer, he was responsible not only for efficient execution of the work but also for maintenance of proper accounts. As will be shown in the next Chapter, he did not make any effort for having an organisation for maintenance of accounts. He did not inspect the accounts section at any time. Even in November 1956 when he gave evidence, he had not reviewed the Works Register. Though he was unable to guide the Accounts Superintendent, he did not seek any assistance in the discharge of his duties. As will be discussed hereafter, he had no effective control over the organisation for execution. The most important condition, namely, the preparation of detailed estimates duly scrutinized and sanctioned by competent authority, was flouted. It is difficult to come to the conclusion that the Special Engineer had acted efficiently or diligently. He has in any case not acted in the best interests of the State.

24. The Committee is, therefore, of the view that the conditions necessary for economic execution of work by departmental agency, were absent in this case.

CHAPTER IX.

ORGANIZATION.

The question of organization for execution of this work of large magnitude should have been carefully thought out before directing its execution departmentally.

2. As has been pointed out in the previous Chapter, departmental execution cannot be economical unless the work is done diligently and honestly by competent and experienced persons and unless there is a proper organization for execution and for maintenance of proper accounts. It is also essential that there must be detailed estimates duly scrutinized and sanctioned by competent authority before the work is taken in hand. It has also been pointed out that these essential requirements were not kept in view in getting this work executed departmentally.

3. In September 1952, a Division was constituted for this work. The Executive Engineer, Buildings Division, was placed in its additional charge till another officer was placed in its independent charge in March 1953. The Government Architect was closely connected with this project since the idea of constructing a House of Legislature was mooted in 1948 and was charged with preparation of plans and working drawings. He had prepared all the plans. He had to prepare detailed working drawings that were required particularly in regard to intricate architectural features that were decided upon from time to time by the Chief Minister. As an architect he had to see that the features and designs shown in the drawings were faithfully depicted in the structure. In order to cope up with this heavy work, he was given sufficient staff as and when required.

4. Under the Public Works Department Code, the work of the Executive Engineer of a Division is supervised by the Superintending Engineer to whom he is subordinate and by the Chief Engineer.

5. The Chief Engineer is the responsible professional adviser of Government in all matters relating to existing works and projected schemes. He is the administrative and professional Head of the Department for the efficient working of which he is responsible to Government. The responsibility for all important structural designs under execution rests on him. He must exercise careful control over the work of the Designing and Technical sections. The Chief Engineer is also responsible for the maintenance of authorized system of accounts in the Department. It is his duty to examine the register of works so as to keep a vigilant watch over the rates of work. It is also his duty to investigate excesses of expenditure over subheads with a view to deciding whether or not a revised estimate will be required for the work; and, when such estimate is required, it will also devolve on him to see that it is submitted in due time to the sanctioning authority. If the excesses are due to the carelessness of the departmental officers, their written explanations should be called for and disposed of on the merits of each case. It is also his duty to make frequent inspections of the Divisional Offices under his control. Such inspections are invariably made in detail once a year and reports of such inspections should be drawn up in the prescribed form and submitted for information and orders of Government.

6. The Superintending Engineer is responsible to the Chief Engineer for the administrative and general professional control of all public works in charge of the officers of the Department in his circle. It is his duty to inspect important works in his circle, to satisfy himself that the system of management is efficient and economical, and that regulations as regards works, stock and accounts are strictly observed, and that executive and administrative

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work of the circle is satisfactorily performed. It is his duty to watch and control the rates paid for work and he may require an Executive Engineer to report to him such details of expenditure as he may desire. It is also his duty to satisfy himself that the staff employed is actually necessary and adequate, and that the Divisional and Sub-Divisional Officers attend personally to their primary accounts. He must inspect each Divisional Office once a year and report thereon to the Chief Engineer.

7. The Divisional Officer is responsible for the efficient execution and management of works and for the correct preparation of accounts pertaining to them and punctual submission to the Accountant General.

8. In our view, the Vidhana Soudha Division work should have been properly organized under the three heads :

(i) Designing and technical section,
(ii) Execution, and
(iii) Accounts.

9. As there was quite a heavy designing work in this Division, a separate section in charge of a responsible officer should have been formed. It must be remembered that the office that originates the design of a particular structure should be exact and careful in its calculations and diagrams as on it the responsibility for the technical features of the design in question rests. Probably because of the absence of this Division, the Superintending Engineer discovered practically in all his inspections that more reinforcement than necessary was being used.* It appears that each Sub-Divisional Officer was left to prepare structural designs for work to be executed by him, without any control either by the Special Engineer or his Superior Officer. This resulted in designs with different assumptions and without any uniform procedure in the three sections—South, North and Central. The remarks on some of the designs, are to be found in the annexure.† The practice in all projects is that all designs are prepared in the Central Office and sent over to the Executive Officers for execution according to the blue print. If this was not possible, the Superintending Engineer should have got this done in his office or directed the Special Engineer to form a separate section and to submit the designs for his approval. Although the 3rd floor was decided upon in October 1953, an increase in the height of the dome was in contemplation.

10. Shri M. B. Krishna Iyengar was working on the calculations of the original drawing of the Central Dome, as orally approved by the Special Engineer in March 1954, until a modified drawing was given to him in November 1955. This modification was in contemplation at the time the work on the original drawing began. The calculations of the modified drawing submitted by Shri Krishna Iyengar in December 1955 had not received the approval of the Chief Engineer until November 1956, when a second modified drawing was given to him for execution.

11. Under the circumstances, for an efficient and economical execution of a work of this magnitude, it would have been desirable to form sub-divisions with a view to have compact units for execution and accounts. The question of proper maintenance of accounts was not thought of by the Special Engineer as he was evidently ignorant of accounts. The Superintending Engineer and the Chief Engineer did not discharge their responsibility in this respect. They knew, or should have known, that accounts were not properly maintained and that there was no adequate staff for the purpose.

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* Witness No. 6, para 30, Volume II, page 40.
† Annexure VI, Vol. III.

Chapter IX.

12. The Sub-Divisions were formed for execution of work as under:

(1)	Central Wing	Sub-Division No. 4
(2)	Northern Wing	Sub-Division No. 1
(3)	Southern Wing	Sub-Division No. 3
(4)	Saw Mill, manufacture of wood, stone materials for pillar blocks and slabs, earth-moving equipment, lorries and stone crushers	Sub-Division No. 2
(5)	Water Supply and Sanitary Fittings ..	Sub-Division No. 5
(6)	Stone dressing	Sub-Division No. 6

The Assistant Engineer who was the Personal Assistant to the Special Engineer was placed in charge of Sub-Division No. 2 and also of Stores.

13. Shri M. B. Krishna Iyengar, Officer-in-charge of Central Wing (Sub-Division No. 4) stated that he had no clerk till about June 1955 in spite of his several requests. Shri Venkatesha Das, Officer-in-charge of Sub-Division No. 2, stated that when the manufacture of wood work had become heavy in the latter part of 1954, he asked to be relieved of the stores work and stone material work, but that was not done. His request for accounts and clerical staff both for stores and wood work made earlier was also not heeded; nor was he given sufficient staff thereafter in spite of requests. It appears that both these Sub-Divisions had more work than could be conveniently managed by these officers. The work of Sub-Divisions Nos. 5 and 6 seems to have been lighter.

14. On the whole, the Committee is of the view that there was sufficient staff for execution of the works, while they had not enough staff for the maintenance of the primary accounts and returns. The result was that these Sub-Divisional Officers could not keep a vigilant watch over the rates of execution of work, nor could there have been an effective check over the accounts of materials. The Special Engineer does not appear to have paid any attention to economical execution of the work.

15. No attention was paid to the organization of the accounts section of the Division. It was inadequately staffed. In spite of the Accountant General pointing out repeatedly the unsatisfactory state of accounts, no serious steps were taken to remedy the defects and maintain proper and correct accounts. The Chief Engineer did not discharge his statutory responsibilities in the matter.* The Special Engineer also beyond asking the Accounts Superintendent to maintain proper accounts, did not pay attention either to the accounts or to the audit and inspection notes of the Accountant General.†

16. The stores section was also under-staffed. The Stores Officer had multifarious duties to perform. He did not pay any serious attention to his duties as Stores Officer and allowed matters to drift. He told the Committee that he was not counting stocks of all materials but only of a few major items. The state of stores account leads to the inference that even this was not probably done or was done perfunctorily. No attempt was made in the Division at reconciliation of the discrepancies which appear to be serious.‡

17. There was no inspection of stores and accounts of the Division by the Special Engineer. It was imperative to make periodical inspections and to guide the staff in the proper maintenance of stores accounts and other accounts.

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* See para 42, Chapter XIII, page 82.
† See para 23, Chapter VIII, page 31.
‡ See para 12, Chapter XIII, page 75.

Chapter IX.

18. Added to all this, the undue haste expected in the execution of the work contributed to the chaotic state of affairs. No programme was drawn up for the different stages of the Building. Targets were fixed by the Chief Minister arbitrarily. Though it was impossible to complete the project within two years of the commencement of digging of foundations in February 1952, February 1954 was fixed as the date of completion. This date had therefore to be shifted from time to time—to October 1955, February 1956, June 1956. Even these dates had no relation to the realities of the situation. This pressure led to hectic efforts; and worst still, under the cloak of urgency, many irregularities leading to avoidable waste and malpractices have been committed. It may, however, be stated that but for the drive of the Chief Minister and the willing response of the staff, this work would not have been completed even by now.

19. The Committee notes with very great regret that the Superintending Engineer and the Chief Engineer did not function at all.* It is very likely that this omission to perform the essential duties of office was due to the assumption of over-all direction of the works by the Chief Minister and his dealings directly with the Special Engineer. That Officer did not consequently hesitate to ignore his superior officers. He submitted to the Superintending Engineer the estimate of Rs. 50 lakhs which was designedly an under-estimate and told that officer that if he sent up that estimate, he would get it sanctioned. The Superintending Engineer did not listen to this and returned the estimate to him with certain directions. But it was again submitted after about three months, as it was, without complying with those directions. The Superintending Engineer thereafter submitted it to the Chief Engineer for the approval of the Government though he knew that it was a gross under-estimate and unworkable. He did not scrutinize the estimate. The Special Engineer executed several works without submitting the designs to the Superintending Engineer for approval. Though the latter noticed in practically all his inspections that more reinforcement than was required was being used, he did not take any steps to prevent it beyond orally telling the Special Engineer not to do it. He did not make any inspection of the office of the Special Engineer.

20. When the Special Engineer became a Superintending Engineer in March 1954, this semblance of control also disappeared and he became directly subordinate to the Chief Engineer though he continued to exercise powers only of an Executive Engineer.

21. Shri K. S. Gangadhara, the then Chief Engineer, stated that the Special Engineer did not implement his instructions on several occasions and when the situation was getting out of control, he made a report to the Government.† The situation, however, did not improve thereafter.

22. On 23rd November 1954, the Chief Engineer returned the flooring tenders with a direction that the subject should be examined by the Technical Committee before the work is taken up. Without carrying out the directions, the Special Engineer returned the tenders to the Chief Engineer on 1st December 1954 saying that "the tender portion need not be discussed by the Committee". Even before the tender was accepted by the Government, he entrusted the work to the Contractor. He made changes from time to time in the flooring work without obtaining the approval of the Chief Engineer.‡ On another occasion, he bypassed the Technical Committee on the

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* The evidence of these officers may be seen.
Witness No. 3, pages 26-34; Witness No. 6, pages 37-41; and Witness No. 16, pages 66-68.

† Witness No. 16, para 14, Vol. II, page 67.

‡ See Chapter XV(b).

ground that they were not contradicting the joint opinion of the Government Architect and himself. He stated :

> " I took it for granted that the Government will accept the tender though tenders were not placed before the Technical Committee." §

On several occasions he purchased stores without an estimate of requirements, without reference to the Stores Purchase Committee or calling for quotations, without heeding objections of the Superior Officers. Such instances can be multiplied.

Technical Committee.

23. By Government Order dated 15th September 1953, a Committee was constituted to decide details that may arise from day to day relating to details of designs, rates, architectural features, illuminations, acoustics, sanitary, water supply and drainage arrangements. The power of the Chief Engineer under the Code in the matter of finalisation of rates was not affected. The Committee consisted of the Chief Engineer as President, the Special Engineer as convenor, the Government Architect and four other Officers.

24. A perusal of the proceedings of this Committee shows that several matters of great technical importance within the cognizance of this Committee were not placed before it. On the other hand the Committee went beyond its powers in several matters, for example, issuing instructions for purchase of sound reinforcement equipment, approval of tenders, etc. In matters within its cognizance and placed before it for consideration, the Committee did not discharge its duties satisfactorily. When the question of designs and data for cut stone pillars was placed before them, they asked the Chief Engineer to dispose of the matter. The proceedings do not show that these technical persons grappled with the problem before them and arrived at independent decisions.

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§ Witness No. 2, para 100, Volume II, page 19.

CHAPTER X.

RUPEES FIFTY LAKHS AND ONE HUNDRED THIRTY LAKHS ESTIMATES AND THEIR COMPARISON.

On 20th November 1952, the plans were sent to the Executive Engineer, Buildings Division, for preparation of detailed estimates. Shri C. J Venkatesha Das and Shri Mukundan, then Assistant Engineers, were put in charge of preparing detailed estimates. They completed the preparation of detailed estimates by June 1953. As the work was of a special nature, these officers did not straightaway adopt the rates of the Buildings Division for all items. They had taken slightly higher rates for some special items of work. This estimate was for Rs. 80 lakhs, and was not an excessive estimate as admitted by the Special Engineer.*

2. Shri K. S. Gangadhara, the then Chief Engineer, asked the Special Engineer to reduce the estimate to Rs. 50 lakhs,† evidently because the Minister for Public Works had warned him that the estimate should not exceed that figure. The estimate was reduced by deleting all essential services like sanitary fittings, water supply, electric fittings, etc. The provisions for establishment, permanent and temporary, and for levelling the ground were reduced to absurdly low figures. This was not enough to reduce the estimate to Rs. 50 lakhs. The Special Engineer therefore reduced the rates arbitrarily. He stated—

> "Because the estimate had to be reduced to Rs. 50 lakhs, we must find out some means to reduce it and the only means that I found was by reducing rates. We did not resort to other method of reducing portions of the Building."‡

He further stated,—

> "Apart from the direction, there was no reason for reducing the Rs. 80-lakh estimate."§

This reduced estimate was ultimately submitted to the Chief Engineer for Government sanction on 6th January 1954.

3. On the receipt of the plans and report from the Secretary of the Building Committee on 6th January 1954, the Government remarked that the plan must necessarily suit the financial resources of the State and therefore the cost of the building proper should in no circumstances exceed Rs. 50 lakhs and that should be borne in mind while approving the plans and in preparing the estimate. On 27th February 1954, the Chief Engineer was directed to submit a detailed estimate for the work so as not to exceed Rs. 50 lakhs.

4. In or about February 1954, the entire building had been brought to the roof level of the ground floor except in the verandah portion all round, where dressed stone pillars were coming up. Some parts of the cellar floor, the pantry room in the Central Block and the Library Hall at the northern wing had already been roofed over.|| It is difficult to appreciate how the question of finally approving of the plans could arise at that stage. The plans had already been approved by the Chief Minister who ordered execution of the work as far back as in July 1952. They were approved by his colleagues in November 1952 and rapid progress was being made since the work was started in February 1953. It was not difficult to appreciate that it was not then possible to reduce the area of the building. It was impossible to reduce the estimate to Rs. 50 lakhs, without reducing the height of the superstructure and altering the elevation to an austere and simple type. This should have been done by

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* Witness No. 2, para 31, Vol. II, Part A, page 8.
† Witness No. 16, para 11, Vol. II, Part A, page 67.
‡ Witness No. 2, para 15, Vol. II Part A, page 5.
§ Witness No. 2, para 31, Vol. II, Part A, page 8.
|| Report of Press Conference of Shri K. S. Gangadhara, Chief Engineer, dated 17th March 1954.

referring the plans back to the Government Architect; but he was not consulted.

5. According to the plans,* the plinth area of the building was 4,21,000 sq. ft. In the Rs. 24-lakh estimate the cost of the building proper worked out at about Rs. 21 per sq. ft. At this rate, the cost of the building with the plinth area of 4,21,000 sq. ft. could not be less than Rs. 90 lakhs. In addition, there would be the cost of services, electric fittings, lifts, sound recording equipment, etc. Thus the total cost could not have been less than Rs. 110 lakhs. Shri K. Hanumanthaiya admitted that Vidhana Soudha was going to be costlier than this building.† According to him, at the time the plans were finalized, the idea was to have the building with the kind of architecture that we find now.‡ Still, the Chief Engineer forwarded the Rs. 50-lakh estimate to Government for sanction without any scrutiny. The notes of the alleged scrutiny are not available. They could not disappear from the records. Even without a scrutiny of the estimate, the Chief Engineer should have known that it was impossible to construct Vidhana Soudha in Rs. 50 lakhs, *i.e.*, at less than Rs. 12 per sq.ft. of the floor area. The Government Architect then thought that the cost would be Rs. 84 lakhs at Rs. 20 per square foot of the floor area. He did not take into consideration the services.

6. Prior to this, in October 1953, the Chief Minister had decided to put up a third floor and this major deviation has cost about Rs. 23 lakhs. In spite of this, the Special Engineer or the Chief Engineer did not take this into consideration in submitting the Rs. 50-lakh estimate for Government approval. Nor did they give any indication of this in their reports.

7. On 5th June 1954, the Government gave administrative approval to this estimate. By a subsequent letter dated 25th June 1954 the Government again directed that the cost of the building proper should not exceed Rs. 50 lakhs. The Government did not pause to consider whether it was at all possible to construct such a huge building with a floor area of 4,21,000 sq. ft. at a cost of Rs. 50 lakhs. They did not take into consideration addition of the third floor which was already ordered. By the end of May 1954, the outlay had reached Rs. 25 lakhs. Ignorance of these broad facts cannot be presumed. The direction of the Government to limit the expenditure to Rs. 50 lakhs was manifestly unrealistic.

8. There was absolutely no reason whatsoever for not submitting the detailed estimate which were ready in or about June 1953. The Department failed in its duty in withholding this estimate and deliberately submitting an unworkable and unrealistic estimate. It was its duty to present a correct picture and leave the Government to take a decision thereon. It was also up to the Government to insist on a detailed estimate soon after the work was commenced if not earlier. Submission of only an abstract estimate almost a year after the commencement of work should have roused suspicion, and the Government should have got examined the workability of the estimate before according administrative approval and pious directions.

Rs. 130-lakh Estimate.

9. Although by their letter dated 27th February 1954 the Government called for detailed estimate and though he was getting repeated reminders, the Special Engineer did not submit them at any time. All along he knew that even the building proper could not be completed within Rs. 50 lakhs. At the time he got the

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* Vol. IV, Plans, Series B.

† Witness No. 18, para 14, Vol. II, Part A, page 75.

‡ Witness No. 18, para 11, Vol. II, Part A, page 73.

Government Order to limit the expenditure to Rs. 50 lakhs, he knew that the expenditure would exceed Rs. 50 lakhs. Though it was his duty to inform the Government accordingly, he did not do it.*

10. By the end of July 1954, the outlay was Rs. 30.82 lakhs.

11. On or about 11th August 1954 he submitted to the Chief Engineer what he calls an abstract estimate for Rs. 120 lakhs.† It was stated that the estimate of Rs. 50 lakhs was for building proper and did not include the services, roads and motor garages, etc. It was promised that the detailed estimates for each of the items were under preparation and would be submitted for sanction in due course.

12. The so-called abstract is nothing but a mere guess work. Some of the works contemplated in it were not scrutinized by the Technical Committee or by the Committee which evolved the design. Under whose authority the Special Engineer included these items, it is difficult to say.

13. The promised detailed estimates were not forthcoming in spite of repeated reminders from the Chief Engineer. On 25th November 1954, the Chief Engineer therefore sought orders of the Government regarding :

(*a*) continuing the work without technical sanction to a detailed estimate and with a ceiling limit of expenditure at Rs. 120 lakhs as forecast at present ;

(*b*) requesting the Accountant General to inspect and report on the audit irregularities, if any ; and

(*c*) the Special Engineer to be held responsible for procedural irregularities.

Thereafter, the Government sent to the Special Engineer three reminders to submit immediately the detailed comprehensive estimate. No action was taken on the proposals of the Chief Engineer.

14. On 18th February 1955 the Special Engineer again sent a " modified " abstract estimate of Rs. 120 lakhs.‡ There also he had given some guess figures. As is manifest from the statement issued to the Press by the Chief Engineer on 17th March 1954, the building work was completed to the roof level of the first floor before that date. Only the pillars of the verandahs and some ornamental work remained to be done. At the end of January 1955, the outlay was Rs. 43.98 lakhs. There was therefore no difficulty in the submission of the detailed estimate. In fact, detailed estimates were prepared by the Sub-Divisional Officers.

15. On 14th March 1955 the Special Engineer submitted to the Chief Engineer for sanction of the Government what he called a " detailed estimate of Rs. 130 lakhs " § What he really sent was an abstract of Rs. 130 lakhs inclusive of a detailed estimate of Rs. 102 lakhs for the building proper. This was not meant to be adhered to. On 11th April 1955 the Special Engineer submitted this estimate to Government. Even here, no comparative statement was submitted showing the difference between the provisions of Rs. 50-lakh estimate and the provisions made in the new estimate and reasons for the variations. These enormous deviations from the administratively approved estimate for Rs. 50 lakhs had to be covered by supplementary estimates or revised estimates in accordance with rules 37 and 38 of the Public Works Accounts Code. But that was not done.

16. There were several discrepancies in these estimates. The totals were not correct. It was therefore returned to the Special Engineer. He corrected the total of Rs. 102 lakhs to Rs. 107.5 lakhs and deleted the provision of Rs. 4 lakhs for " providing art treatment to the Assembly and Council Halls " and Rs. 1.50 lakhs for veneering

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* Witness No. 2, para 41, Vol. II, page 9.

† Annexure VII, Vol. III.

‡ Annexure No. VIII, Vol. III.

§ Annexure No. IX, Vol. III.

for the central dome and gold plating at the top", and maintained the total of Rs. 130 lakhs. Instead of submitting the file through the Chief Engineer, he submitted it directly to Government.

17. The estimates for the building proper prepared by the Sub-Divisional Officers were for Rs. 117 lakhs.* He had arbitrarily reduced these estimates to a total of Rs. 102 lakhs. Though requested, the Special Engineer, Shri M. Muniappa, did not produce these estimates on the ground that they were not "easily available." He stated more than once that he had to reduce the estimates because he was asked by the Chief Engineer to limit the expenditure to Rs. 130 lakhs. The Chief Engineer admitted this.† We must say that both these officers are guilty of *Suppressio Veri and Suggestio Falsi.* There can be no excuse for such lapse.

18. The Special Engineer had to admit that reduction was not possible without alteration in the designs. All the designs including those of the Central Dome had already been finalized by the Government Architect and approved by the Chief Minister; and there was not any alteration in contemplation with a view to reduce the costs. The following is some of the several examples of unrealistic reductions made by the Special Engineer:

	Provisions in estimates of		
	117 lakhs.	130 lakhs.	Work Slip.
Central Dome ..	9,41,880*	7,21,880*	10,25,000
Side Domes (Each) ..	40,000	10,000	50,000
Corner Domes (Each) ..	40,000	20,000	95,000

The Special Engineer had to admit that the modified provisions made by him were grossly inadequate for the designs, but he was not consulted when they were finalized. He says that he was anxious to limit the expenditure to Rs. 130 lakhs and he wanted to explain matters to the Chief Minister to change them to simpler ones and reduce costs. He therefore reduced the provisions hoping that the Chief Minister would accept his suggestions. He, however, did not make any attempt to explain the matters to the Chief Minister. Instead of offering such ridiculous explanations, he should have boldly stated that he reduced the estimates just to limit the total to Rs. 130 lakhs.

19. The Chief Engineer did not scrutinize these estimates. His statement to the contrary cannot be accepted. He did not produce the notes of scrutiny said to have been made. He could not trace them.‡ He had to admit that it was impossible to construct the domes within the estimates sent to him for submission to Government for approval. As a fact, excesses have been shown in 47 items out of 69 items in the estimate and they exceed Rs. 26 lakhs. The Chief Engineer sent to the Special Engineer an inspection note dated 7th June 1956.§ This is the first note he has ever drawn up though he was going to the Vidhana Soudha frequently for inspection. It appears to have been drawn up as a futile attempt to defend himself. When asked to explain the statement "the detailed estimate of Rs. 130 lakhs has been carefully prepared" made in it, he gave this answer:

> "I asked the Special Engineer to prepare a detailed estimate carefully providing for all items of work so that there should be no excesses when the building was completed." ||

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* Annexure No. X, Vol. III.
Letter No. 8190, dated 14th December 1956 from Shri M. B. Krishna Iyengar, Executive Engineer in charge, Vidhana Soudha Division from 16th November 1956.

† Witness No. 3, para 41, Vol. II, page 32.

‡ Witness No. 3, para 34, Vol. II, page 31.

§ Annexure No. XI, Vol. III.

|| Witness No. 3, para 14, Vol. II, pages 27, 28.

Chapter X.

20. At the time of the inspection note, the whole work was over and the finishing work was being done. According to the Chief Engineer, without obtaining his approval, the Special Engineer used to execute the designs approved by the Chief Minister; and he had no say in the matter. After the dressing of the pillars was completed, practically all the pillars were redressed. Certain elaborate carvings and architectural finish was being given, elaborate flowering work, special stone veneering and intricate construction work of the domes and other works were being executed in his presence involving heavy excesses over the Rs. 130-lakh estimates; but he did not raise any protest. As the professional adviser of the State, he ought to have brought these facts to the notice of Government. He did not do so and was content with making the following observation in the note:

> "that the work should be completed within Rs. 130 lakhs should be the main responsibility, and if every item is critically scrutinized and economy exercised, it shall be possible to work it out and complete the building within this amount."*

All this he said knowing that it was then impossible.

21. The Committee has no doubt that as in the case of the Rs. 50-lakh estimate, the Rs. 130-lakh estimate was, as submitted to Government, a deliberate under-estimate; and knowing this, the Chief Engineer forwarded it to Government for sanction. He failed to discharge his duties as the professional adviser of the State in this and other matters.

22. In his letter No. WI-VS-100, dated 25—27th August 1955 addressed to Government referring to letter No. 34-VS, dated 11th April 1955 of the Special Engineer to the Chief Engineer forwarding the estimate of Rs. 130 lakhs, the Accountant General pointed out to Government that the sum of Rs. 64 lakhs has been incurred in connection with Vidhana Soudha and the whole amount was kept under objection for want of estimate and as the work was going on in full swing, it would be irregular to continue to incur such heavy expenditure on a work of this magnitude without a properly sanctioned estimate. The Accountant General requested the Government that scrutiny of the estimate may kindly be finalised and sanction to the estimate communicated to him.

23. Thereafter, on 7th September 1955, Government passed an order according sanction to "detailed comprehensive estimate for Rs. 130 lakhs" without any scrutiny of the estimate.

24. Along with the Rs. 130-lakhs estimate, the Special Engineer should have submitted a comparative statement giving reasons for variations both in quantities and rates. This was not done. *Statement I* † is the comparative statement giving the quantities, rates and costs under different heads in the two estimates. From the incomplete work register, it is not possible to compare the actual working rates, quantities and costs with these statements.

25. As already pointed out, the claim that both these estimates have been carefully prepared is futile. Only third floor was added after the Rs. 50-lakh estimate was submitted for Government approval. There was no change in the plinth area ‡ besides the quantities stated for the third floor. However, larger quantities are stated for other items in the second estimate. There are also changes of specifications, type of work and additional structural features and embellishments. The items of work where there are marked variations in quantities and rates have been stated in Statement II.§

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* *Ibid.*
† Annexure No. XII, Vol. III.
‡ Vol. IV, Plans Series (C).
§ Annexure No. XIII, Vol. III.

The reasons for the variations are also stated. The total excesses resulting from these variations amounts to Rs. 54,69,844.

26. It will be seen that the excesses are under the following main heads :

(A)	Change in type of Work	3,11,331
(B)	Change in design	5,21,777
(C)	Architectural features and embellishments ..	46,36,736

The details are shown in Statement II.*

Comparative study of provisions of Architectural features and Embellishments in the estimates for Rs. 50 lakhs and for Rs. 130 lakhs.

27. The changes in architectural features are many and varied.† For example the design of the grand flight of steps has been altered and railings and balustrade of heavy artistic features adopted. The bases and capitals of the large number of pillars are of more ornate, difficult and intricate patterns : They are different for different pillars. The railings and parapets at each floor are not only different from one another but of very intricate patterns in cut stone work, finely finished. The Central Dome, the corner domes and the secondary domes have all been treated with greater detail of features. The portico on the northern side has been considerably altered to one of a highly ornamental pattern, to imitate the gateway entrance to the Krishnarajasagar Dam. Series of corner balconies of heavy artistic treatment have been introduced at the four corners of the building ; and stone pediments of ornamentally carved design over the top of the third floor on the northern, southern and western sides have been introduced. Even the treatment of the basement has been changed to provide for bands of stone both at the top and at the bottom, chiselled out in stepped and curved shapes and with ornamental floral panels of stone at intervals in the basement face on all sides. The main facade on the east over the heavily embellished cut stone pillars in front, has been treated with an intricately carved stone parapet, with Lotus-shaped features at the ends and the 'coat-of-arms' emblem housed in an ornamentally finished niche at the centre, has been added.

28. Carved wood work for special doors, cornices and railings, lavish ceiling plasters of intricate designs, relief plaster features on the face of the beams in the foyar hall, intricately designed decorative features for the pillars and cantilevers supporting the galleries, ornamental stone brackets with cornices and features for the windows opening into the quadrangles on either side had all been proposed in greater detail in the Rs. 130-lakhs estimate.

29. All these heavy excesses were mostly due to want of planning at any stage, introduction of changes from time to time, addition of architectural features as and when directed by the Chief Minister, and execution of work regardless of cost. There was no eye to economy. The accounts, necessary to maintain a check over expenditure and to effect economies, were neglected. In fact, the Special Engineer did not at all worry about maintenance of accounts. Still, attempts were made at every stage, to deliberately present unrealistic estimates and proposals for approval. The Technical Committee did not discharge the duties they were expected to discharge, and interested themselves in matters outside their purview. The Administrative Officers—the Superintending Engineer and the Chief Engineer—did not function at all.

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* Annexure No. XIII, Vol. III.

† Vol. IV, Plans Series (B), (C) and (D).

CHAPTER XI.

OTHER ESTIMATES.

(*a*) Electrical Estimates

This case vividly demonstrates the imperative necessity of sanction to detailed estimates before commencement of works. The first estimate for Rs. 12.154 lakhs included a provision for 716 ceiling fans. The Chief Minister directed deletion of this item on the ground that fans were wholly unnecessary in the climate of Bangalore. There were other excessive provisions. The estimates were therefore returned by Government with a direction to modify them suitably. The modified estimate of Rs. 8.154 lakhs was sanctioned by Government on 29th December 1954. This was included in the Rs. 130-lakh estimate sanctioned in September 1955.

2. Pending submission of the Rs. 12.154-lakh estimate for sanction, work was being executed. Changes were being made from time to time. Therefore, the Assistant Superintendent in charge of the work complained that there would be great difficulty in execution in the absence of a sanctioned estimate and *that it would be humanly impossible to avoid heavy wastages unless things were definitely settled as regards providing electric lights, fans, etc.** No attention appears to have been paid to this complaint.

3. In spite of the direction of the Chief Minister, provision was made for 216 fans in the Rs. 8.154-lakh estimate. Seven hundred and ten points have actually been laid. Only the fans and regulators have to be purchased and fitted up. The Superintendent told the Committee that it was considered advisable to complete the work as it had already begun so that fans may be fitted up as and when considered necessary. The outlay on these points is Rs. 32,660 excluding the outlay due to increased cost of mains and distribution system on account of the increased load.

4. The provision for forced ventilation for the Legislature Halls appears inconsistent with this order of the Chief Minister to delete fans. If fans are not necessary for the Ministers and offices, forced ventilation for the Legislature Hall is unnecessary.

5. The order for the purchase of the equipment for forced ventilation was placed by the Special Engineer without any estimate and without any Government Order to make the purchase.†

6. It may be noted that the sanctioned estimate of Rs. 8.154 lakhs has been exceeded by Rs. 5.14 lakhs out of which about Rs. 1.95 lakhs is the excess on sound reinforcement equipment. According to the Superintendent, the other excess is due to the instructions of the Chief Minister for superior fittings.‡ According to him, samples had to be put up for the approval of the Chief Minister and approved items had to be purchased regardless of costs and the provision in the sanctioned estimate. Not only this, but the number of points and fittings were also considerably increased.

7. The provisions made in the Rs. 8.154-lakh estimate were themselves excessive. A provision was made in this estimate for 2,000 fluorescent ceiling fittings of 40 W. at Rs. 50 ; 250 ornamental and fancy ceiling fittings with 100 to 150 W. incandescent lamps at Rs. 100 and Rs. 250 ; fluorescent decorative fittings with 40 W. fluore-

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* Annexure No. XIV—Vol. III—Letter No. 79, dated 30th September 1954 from the Assistant Superintendent, Vidhana Soudha Division to the Superintendent, Bangalore Power and Lighting.

† See Note on Air Conditioning Plant—Chap. XV (d).

‡ Witness No. 8, para 46, Vol. II, page 48.

scent lamps at Rs. 150. In addition, a provision was made for purchase of 500 spare 4 feet tubes and 200 spare starters and condensers.

8. The Committee has seen some general office rooms in the Building in which two rows of lights are provided, the end distance between two tubes in a row being about 6 feet. This appears to be an excessive provision even on the assumption that all the clerks would be working at one time in nights. We consider that lights were glaring and uncomfortable. Their maintenance will also cost a good deal.

9. The light in the room in the Victory Hall in which the evidence of the Superintendent, Bangalore Power and Lighting was recorded is, according to the Committee, sufficient for the work. It did not strain our eyes. The Superintendent stated that it was only about 2 to 3 foot candles and was in his view very inadequate. The lighting provided in the general offices is stated to be uniformly 10 foot candles. This appears to be excessive. According to the Superintendent, the lighting would be about 5 to 6 foot candles if alternative lights are on, but it would not be uniform and that if the rows of lights had been in the centre, the illumination would be about 5 foot candles.

10. As regards lay-lighting in the Assembly Halls, the Superintendent stated that the area of 900 square feet for the Lower House and 600 square feet for the Upper House was necessary to produce 20 foot candle illumination. But the lay-lighting as executed is for 1,280 square feet for the Lower House and for 784 square feet for the Upper House. In addition to lay-lighting, there is provision for cove lighting. All this illumination appears perhaps excessive.

11. On a scrutiny of these estimates, the Committee is of the view that excessive provisions were made in the estimate. By judicious planning, it was possible to effect economies without loss of efficiency.

12. As the Superintendent has stated, there was no special work so far as wiring and laying the points was concerned. This work could therefore easily have been given on a contract. Special fittings as desired by the Chief Minister may have been purchased by the Department and supplied to the contractor. The question of economic execution of the work does not appear to have been thought of. It seems to have been assumed that execution of work by the Electrical Department was preferable to contract work. No sanction was obtained for such execution. Sanction of Rs. 8.15-lakh estimate which includes an estimate for the establishment was taken as an implied sanction to execute the work departmentally. But the work was being executed long before this estimate was submitted for Government sanction.

13. If the Government or the Chief Minister, who had assumed over-all direction of this project, had insisted on obtaining sanction to the detailed estimates before commencement of work and had further insisted on their scrutiny by the Superintending Engineer and the Chief Engineer, Government would have had an opportunity to consider fully the question of its requirements before according sanction. If this had been done, the inclusion of 216 fans in the Rs. 8.15-lakh estimate in spite of the clear direction of the Chief Minister and its sanction in the Rs.8.15-lakh estimate by implication was not possible. No doubt, the Accountant General could not question the provision in view of this sanction which is legally valid for incurring the expenditure; but the fact remains that the expenditure which was not intended to be incurred was incurred.

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14. The total revised estimates are as under:

Rs.	
13,30,000	as against the sanctioned estimate of Rs. 8.154 lakhs.
1,69,000	modified estimate for the third floor.
80,000	estimates sanctioned under Civil Engineering provisions. These are outside the Rs. 130-lakh estimate.
15,79,000	(*)
40,000	for yard-lighting—outside the sanctioned estimate.
16,19,000	

The excesses in the various estimates amount to Rs. 5,14,600.† The original provision for yard-lighting was Rs. 50,000. On the suggestion of the Committee to effect economies, accepted by Government, the estimate is reduced to Rs. 40,000.‡

15. The Committee is constrained to observe that in Vidhana Soudha works, the estimates were not being prepared according to requirements. They were not scrutinized by the authorities concerned and Government sanctions were accorded as a matter of form just to silence the Accountant General. The estimates were also not adhered to. Changes were made from time to time, it is said, according to the instructions of the Chief Minister.

(*b*) Vidhana Soudha Garden, Water Supply and Sanitary Fitting and Fire Fighting Equipment.

(i) *Vidhana Soudha Garden.*

16. At the instance of the Chief Minister, Public Works Secretary and other Officers met at the Chamber of the latter on 1st March 1955, in order to fix up a schedule for the work relating to layout of the garden for the Vidhana Soudha and they agreed that the work of the layout should be entrusted to the Superintendent, Government Gardens, who should complete it by the end of December 1955, that Civil and Water Supply works connected with it including initial expenditure on the layout will have to be provided for in the estimate for the building and that the maintenance of the garden shall be the responsibility of the Gardens Department. There was no resolution nor a discussion as to the Nursery in the Vidhana Soudha. There is no reference to it in the minutes of the meeting.

17. The Superintendent, Government Gardens, submitted proposals for the staff and expenses for the initial layout for the year 1955-56 and a sum of Rs. 13,700 was sanctioned. He had pointed out that recurring charges for the maintenance of the Vidhana Soudha Garden would amount to Rs. 53,946 *plus* about Rs. 1,000 for a clerk in charge. The Government accorded sanction to the expenditure of Rs. 13,700 and asked the Superintendent to renew the other proposals sometime later. A provision for Rs. 13,700 was made in the budget grant of Public Works Department to be operated by the Garden Department. It should have been made chargeable under "81. Capital Works outside Revenue—Vidhana Soudha Building".

18. It is to be noted that the provision of Rs. 30,000 for layout of gardens in the Rs. 80 lakhs estimate *was designedly deleted from Rs. 50 lakhs estimate.* No provision was also made in the estimate of Rs. 130 lakhs sanctioned in September 1955.

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*Vol. II, Document No. 3, page 93.
† Vol. II, Document No. 4, pages 96-97.
‡ Witness No. 8, para 28, Vol. II, page 47.

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(ii) *Masonry Tank for Vidhana Soudha Nursery.*

19. On 21st October 1955, the Special Engineer sought sanction of the Chief Engineer for the estimate of Rs. 5,274 for constructing a masonry tank and laying 1 inch pipe below ground level for a nursery in the Vidhana Soudha. He proposed that this expenditure should be met out of contingencies and unforeseen in the Rs. 130-lakh estimate. This estimate was not prepared at the scheduled rates. It was reduced by the Chief Engineer to Rs. 4,794 and sanctioned.

20. On 28th October 1955, the Superintendent of the Residency complained to the Special Engineer that the proposed nursery located near the Guest House and Kitchen will aggravate the mosquito and fly nuisance beyond control. No heed was paid to it. It was necessary to obtain the concurrence of the head of the Residency before locating it in its area. Two tanks of 40 feet by 10 feet by 3 feet size were proposed to be located there. The work is said to have been executed; but the actual expenditure is not known to the Committee.

21. This is an instance where the Special Engineer has of his own accord decided to have a nursery and a masonry tank for it and the Chief Engineer sanctioned the estimate without examining whether there was any order for a nursery or even a necessity for it in the Vidhana Soudha or whether the expenditure could be properly debited to contingencies.

22. The Committee considers that the action of the Special Engineer was wholly irregular and unwarranted, and that the Chief Engineer did not exercise due care in sanctioning the expenditure.

23. As deposed to by Shri M. H. Mari Gowda, Superintendent, Government Gardens (W-1), the boundaries of this garden are: On the southern and western side—the Residency Park Road up to Ringwood Circle, on the northern side—the Cubbon Road from Ringwood Circle to the New Circle to the rear of the Post Office, and on the eastern side—the Old Public Offices. The garden area to the east of the Vidhana Veedhi and the Residency garden are thus included in the Vidhana Soudha garden.

24. In his letter dated 28th August 1956, the Superintendent informed the Committee that the total garden estimate is as under:

	Rs.
(*a*) For water supply	1,59,185
(*b*) For distribution mains	40,000
(*c*) For layout and formation of the garden ..	1,04,000
(*d*) For tractor and trailor	20,000
(*e*) Ornamental fountains for which detailed plans were not ready	2,60,000
	5,83,185

To this must be added Rs. 13,700 sanctioned by Government for the staff, and expenses for the initial layout. Thus, the total amount comes to Rs. 5,96,885. In his evidence, the Superintendent has varied some of these figures, but that is not material. Out of these (a) has been sanctioned, (c) is awaiting Government sanction and rest do not appear to have been submitted for such sanction.

25. The annual maintenance estimate for the water supply is Rs. 12,200 and for the garden it is Rs. 53,946. In addition, a clerk in-charge is considered necessary for which a provision of about Rs. 1,000 would be necessary. Thus the total recurring annual expenses would amount to about Rs. 67,000, while the total estimate on capital outlay would be Rs. 5,97,000.

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(iii) *Water Supply to Garden.*

26. As requested by the Special Engineer, a detailed estimate for Rs. 1,59,185 for supply of water from bore-wells in the Sampangi Stadium was prepared by the Executive Engineer, Water Supply Division. It was sanctioned by Government on 16th March 1956. *It was ordered that the expenditure shall be met out of the budget of the Horticultural Department under "40. Agriculture—H.—Botanical and other Public Gardens".*

27. The break-up of this estimate is as under :

		Rs.
(1)	Sinking four borewells	16,800
(2)	Construction of a sump tank	6,500
(3)	Construction of a pump house for the pumping set and air compressor	8,500
(4)	Providing and installing machinery *i.e.*, pumping sets, compressors, etc.	21,000
(5)	Providing and laying 4 inches rising main ..	31,500
(6)	Harnessing bore-wells, water mains, air lines, G.I. Tanks, staging, etc.	14,400
(7)	Providing 50,000 gallons R.C.C. tank over 40 feet staging complete with pipe connections	30,000
(8)	Construction of staff quarters	23,000
(9)	Temporary establishment during execution ..	600
(10)	Miscellaneous and Unforeseen ..	1,000
(11)	Tools and Plant charges at 2½ per cent	2,285
(12)	Salary of one Supervisor for one year at Rs. 300 per annum	3,600
	Grand Total ..	1,59,185

In the report accompanying this estimate it is stated that four bore-wells giving an average supply of 3,000 to 4,000 gallons per hour would be drilled, that the water therefrom would be collected into a sump tank of 8,000 gallons by air-lifting arrangement, and that the estimate for these bore-wells separately prepared by Controller of Central Stores was sanctioned by the Special Engineer, Vidhana Soudha Division, but the cost was included in this estimate. The figures in the report do not tally with the figures in the estimate. The Special Engineer was not competent to sanction any such estimate; and if he has done so, it is highly irregular.

28. As a witness, the Garden Superintendent has stated that this water supply is not only for the Vidhana Soudha Garden but also for the whole Cubbon Park; but it is not so stated either in the estimate or in the Government Order. The tractor and trailor equipment proposed to be purchased at a cost of Rs. 20,000 is said to be for use not only of the Vidhana Soudha Garden but also of the other gardens of the Garden Department.

29. As regards the ornamental fountains, no detailed estimate has yet been prepared and submitted to Government for sanction. The garden Superintendent considers that the fountains in the quadrangles may be postponed, but not those outside the building. He could not give any idea of the cost. It will be necessary to scrutinise the estimate, when presented, with an eye for economy.

30. The estimate of Rs. 1,04,000 for the layout of gardens, is according to the Garden Superintendent, of capital expenditure on the garden round about the Vidhana Soudha and the garden between Vidhana Veedhi and Old Public Offices. No capital outlay on the Residency Garden is provided in the estimate. The Committee suggests that the Superintendent may be directed to execute the work as economically as is reasonably possible.

31. On the information received that practically all the items in the estimate except the quarters are nearing completion, the

Committee suggested on 18th September 1956 that the construction of the quarters should be deferred pending further examination and this was accepted by Government.

32. The Controller of Central Stores has informed the Committee that six bore-wells have been dug, out of which four are successful and will yield 4,250 gallons an hour, and that the total outlay would be approximately Rs. 17,000. The estimated cost of harnessing these bore-wells is Rs. 14,400 in addition.

33. If and when necessary, this supply can be augmented by drilling one or two more bore-wells. The machinery and mains can easily raise the additional supply.

34. The sump tank, pump house, and the masonry tank are under construction. The machinery has been purchased and the main pipes have been laid. As regards the distribution mains, the estimates are under preparation.

35. The estimated daily consumption of water for the garden is 50,000 gallons. If the off-take is 3 hours in the morning and 3 hours in the evening, with an interval of not less than four hours, a storage tank of 20,000 gallon-tank is more than sufficient. It will leave about 7,000 gallons at the end of each outflow. The cost on this head could have been easily reduced by Rs. 15,000.

36. The provision for a pump house 30 feet by 20 feet and a store office 15 feet by 12 feet is excessive. By reducing sizes to the optimum, the cost could have been reduced by at least Rs. 3,500.

37. The provision made for staff quarters is as under:

	Plinth Area	Rate sq. ft. Rs.	Cost Rs.
(1) Twin Block for Mechanics ..	1,120	9	10,000
(2) Twin Block for Helpers ..	880	8	7,000
(3) Twin Block for Watchmen—each ..	316	9½	6,000
			23,000

The provision for so much establishment also appears to be unnecessary. One resident helper and one resident watchman should be quite adequate. A mechanic from the Water Works Division could be summoned whenever required. In this view, provision for a twin-quarter for these two persons only, at a cost of about Rs. 7,000 would be necessary.

38. The Executive Engineer has sent a statement on 29th September 1956 in which he has given the outlay to the end of September 1956 under different sub-heads. The statement does not give an idea of the further outlay that would be necessary. Keeping in view the above remarks, it is possible to have economies on other unexecuted items.

39. As regards the distribution mains, the Garden Superintendent told the Committee that he had received an estimate for Rs. 50,000 from the Special Engineer for counter-signature. Whether this estimate is for the Vidhana Soudha garden or for the whole garden is not known. As a matter of fact, separate estimates should be prepared for the two.

40. As will be apparent from the plan * the distribution system is not carefully planned. It can be so planned as to directly tap the existing pumping main from the bore-wells to fill the small storage tanks in several parts of the gardens or cisterns in the layout round the Building. This will effect considerable saving.

41. By his letter No. 2719, dated 20—24th July 1956, the Special Engineer sent to the Superintendent, Government Gardens, an

* Vol. III, Annexure No. XV.

estimate of Rs. 25,600 for ornamental parapet for the motor garages and end-steps for his counter-signature on the ground that the parapet formed a feature of the gardens. This is erroneous. The cost of the parapet should have been included in the cost of the garages provided in the Rs. 130-lakh estimate.

42. The annual provision of Rs. 12,200 for the maintenance of Water Supply is excessive. One helper and one watchman should be adequate for this work. A mechanic from the Public Works Department can be sent for whenever necessary. The Committee also considers excessive the estimate of Rs. 54,946 for the recurring expenditure of the garden. It should be subjected to the necessary scrutiny when it is next submitted for sanction.

43. The Committee considers that the capital cost of the entire garden estimate, in so far as it relates to the Vidhana Soudha garden and the estimates for water supply, should have been included in the outlay for the Vidhana Soudha. There does not appear any justification for debiting the entire outlay to the Garden Department. As regards the maintenance costs, the question will have to be considered in a different way, as the Garden Department will maintain the Vidhana Soudha garden, and Vidhana Soudha will supply water to the Cubbon Park.

(iv) Water Supply and Sanitary Fittings.

44. A lumpsum provision of Rs. 1 lakh for water supply and Rs. 2.5 lakhs for sanitary fittings made in the Rs. 80-lakh estimate was deleted from the Rs. 50-lakh estimate for which administrative approval was obtained in June 1954.

45. On 24th September 1954, the Chief Engineer submitted to Government for sanction an estimate of Rs. 6.98 lakhs. On the instructions of the Chief Minister, this was returned for modification. The modified estimate submitted on 28th June 1955 reduced the estimate for sanitary fittings from Rs. 5.50 lakhs to Rs. 3.52 lakhs. The other provisions of Rs. 1.20 lakhs for water supply and for .28 lakh for stormwater drains was retained. This estimate of Rs. 5 lakhs was included in the Rs. 130-lakh estimate.

46. In according sanction to this modified estimate on 27th August—2nd September 1955, the Government directed the Chief Engineer to delete the provision for individual sanitary fittings to bath-rooms of the Secretaries and Assistant Secretaries. The Chief Engineer informed the Government of having done so effecting thereby a saving of Rs. 23,600. This is not correct. The provision in the estimate for the sanitary fittings and connections for the bath-rooms of the Secretaries is Rs. 60,000 and for the Assistant Secretaries Rs. 23,600. The Chief Engineer should thus have reduced the estimates of Rs. 5 lakhs by Rs. 83,600 and not by Rs. 23,600 only. Thus the net sanctioned estimate is only Rs. 4,16,400.

47. On 18th November 1954, the Improvement Trust had submitted an estimate for Rs. 27,800 for the disposal of the sewage. The Technical Committee approved of this estimate on 28th February 1955 and recommended that the cost may be met out of the "comprehensive drainage scheme". The Chairman, Improvement Trust, protested against this. Thereupon, the Chief Minister directed that the drainage work shall be executed by the Improvement Trust and the Chief Engineer shall make the necessary appropriation for the purpose. The Chief Engineer agreed. However, no formal orders were obtained. On 12th June 1956, the Government asked the Chief Engineer about the latest position in the matter. No reply appears to have been

sent so far. Probably, this amount which ordinarily should be debited to the Vidhana Soudha Works is sought to be debited to the Improvement Trust with a view to exhibiting the outlay on the Vidhana Soudha Works reduced as much as possible.

(v) WATER SUPPLY.

48. The break-up of the estimate of Rs. 1.20 lakhs is as under :

	Rs.
(1) Laying of 8 inches main from 15 inches main to the service reservoir near the building for a length of 1,200 feet	20,900
(2) Storage reservoir with R.C.C. roof, size 40′×28′×8′ inside, of 50,000 gallons	15,000
(3) Pump House about 15′×15′ with a verandah of 11′..	14,800
(4) Two electric pumps of 15 H.P. each complete, having a capacity of about 15,000 gallons per hour ..	8,800
(5) Six overhead R.C.C. storage tanks having a total capacity of 32,000 gallons	22,900
(6) 3″ pipe connections inter-connecting the overhead water tanks	16,300
(7) Automatic telephone line and connections (lump sum)	1,700
(8) Running 3″ pipe line to hydrant connections all-round the building for garden water	19,600
	1,20,000

49. At the Officers' Meeting held on 15th June 1953 under the presidency of the Special Engineer, the proposal was to have a daily supply of 4-lakh gallons for 5,000 persons at the rate of 80 gallons. These figures bear no relation to realities. This manifestly absurd proposal speaks of want of planning and utter disregard to financial consideration.

50. In the sanctioned estimate, a provision for 90,000 gallons a day was made on the following calculations : About 60 flushing tanks of 3 gallons capacity each would be installed for 80 seats of closets and urinals including the community closets. On the basis that these 60 flushing tanks will each discharge 3 gallons of water every minute continuously for six hours, the total daily requirement was calculated at 64,800 gallons (60 by 3 by 60 by 6). In addition, 25,200 gallons were added as running water for wash and drinking to make up the total of 90,000 gallons. No details were given. Sri M. S. Narasimha Sastry, Executive Engineer, (witness No. 13) who prepared this estimate stated that 10,000 gallons were provided for drinking for 5,000 persons at the rate of 2 gallons per head and 15,200 gallons were provided for 100 wash basins at the rate of about 150 gallons. He divided half the total plinth area of the Building (5,32,000 sq. ft.) by 50 to arrive at the figure of 5,000. According to him, this figure includes peons and visitors to the Building. He stated that no drinking water taps were provided in the estimates as drinking water was to be taken from wash-basin taps. In fact, no drinking water taps are provided for this Soudha.

51. According to the accommodation statement finalized in August 1956 and furnished to the Committee by the Government Architect, the total number of Ministers, Officers and Officials that would be working in Vidhana Soudha is 1,141. Even if all the unutilized rooms as shown in the statement are used as general office rooms, the total would not exceed 1,500 persons. To this may be added about 600 persons during the period the Legislature is in session. This aspect of the matter has not been kept in view by the witness either in preparing the estimate or in giving evidence.

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52. The provision made in the estimate for the number of water closets, urinals and wash basins and flushing tanks were not adhered to in execution. The following table shows the requirements of water for the units said to be now in existence.

	Ministers and Secretaries			Community lavatories			Toilets		
	No.	Rate	Total	No.	Rate	Total	No.	Rate	Total
(1) Wash Basins ..	81	5	405	48	9	432	44	9	396
(2) Flushing T nks for W C. (3 g.) ...	41	24	984	40	180	7,200	32	180	5,760
(3) Flushing Tanks for Urinals (1 g.)	16	10	160	...	...	...	...	...	...
(4) Automatic flushing tanks for Urinals (3 g.) ..	...	...	...	24	180	4,320	21	180	3,780
	...	...	1,549	...	...	12,952	...	...	9,936
Deduct excess provision made by the witness ...	...	...	...	40	108	4,320	32	108	3,456
	...	...	1,549	...	...	7,732 =16,761	...	...	6,480

(*See* paras 7, 12 and 42 of the evidence of Witness No. 13)

53. The toilet rooms are for Members of the Legislature, press and visitors to galleries. They would be in use for about four months a year. Sri Sastry has calculated 60 uses per day per unit of water closet in the toilets and community lavatories, which, according to him, is the maximum use to which these water closets would be put. At this rate 4,320 persons would be using them daily. This, in our view, is a sheer exaggeration. We consider 24 uses per unit per day more than likely. On this calculation, the total daily requirement for sanitary fittings would be about 16,000 gallons including 6,500 gallons necessary during the period the Legislature is in session. Adding to this 3,000 gallons for the canteen and drinking water, the total requirement comes to about 19,000 gallons.

54. A normal provision of 15,000 gallons would work out at nine gallons per head. The daily consumption in the Accountant General's Office works out at less than 9 gallons per head. Peons and visitors are excluded from calculation. The consumption includes the use of water in the canteens and for a small garden. Taking all things into consideration, the Committee is of the view that the provision for 20,000 gallons a day would be quite adequate.

55. For this daily consumption of 20,000 gallons, six overhead tanks of 2,000 gallons each would be quite adequate. In the sanctioned estimate, there is a provision for six overhead tanks at different places of the total capacity of 32,000 gallons, the largest tank being of 5,600 gallons. At a meeting of the Officers of the Vidhana Soudha held on 5th March 1956 under the presidency of the Special Engineer, it was decided to have two tanks of 11,250 gallons each, one of 5,000 gallons and one of 2,000 gallons. An ornamental parapet wall was provided for the tank on the Eastern side to conceal it from view. One tank of 2,000 gallons is constructed and one R.C.C. tank of 14,000 gallons is under construction. Sri Sastry stated that two steel tanks of 4,000 gallons each are to be provided in addition. Substitution of steel tanks for R.C.C. tanks is said to be for reduction of the weight on the Building. The diagram providing six tanks at different places and distribution pipes connecting them was shown to us. If this had been adhered to, smaller tanks would have served the purpose; and the expenditure occasioned by the 14,000-gallon tank and the ornamental parapet wall would have been considerably saved. Neither the question of cost nor of utility appears to have been taken into consideration in making the change on 5th March 1956. Since the 14,000-gallon

tank nearing completion and the 2,000-gallon tank already constructed are sufficient to meet the needs, the steel tanks need not be acquired.

56. The provision of 3 inches inter-connecting pipe was also unnecessary. Two inches pipe would have been adequate. Although a total length of 2,240 feet of such pipes is shown in the plan, provision is made for a length of 3,600 feet in the estimate.

57. In order to provide 20,000 gallons a day, the capacity of the pump need not be more than 4,000 gallons per hour. A 4 H.P. pump would be more than adequate. However, two pumps of 15 H.P. are provided in the estimate. The cost of a 4 H.P. pump would be about Rs. 1,200 while the price of the pump intended to be installed is Rs. 4,800.

58. The underground sump tank that is already built is of 50,000 gallons, while a tank of 8,000 gallons capacity would have been quite adequate.

59. To obtain water from the 15 inches main-line near the Ringwood Circle at a distance of 1,200 feet from the Building with a static head of 11 feet, 8 inches main have been laid. This would give an intake of 22,800 gallons per hour. For an intake of 4,000 gallons an hour from this main, a 4 inches pipe would have been quite enough according to Sri Sastry. The cost of the latter would have been less than half of the former. A smaller pump-house would have been sufficient. There does not appear to be any necessity for a telephone line.

60. A provision for Rs. 19,600 for running pipe line alround the Building for garden water was wholly unnecessary in view of the fact that water for the garden was to be obtained from the bore-wells in the Sampangi Stadium area.

61. Sri Sastry had to admit before us that the estimate was not carefully prepared. It was evidently not scrutinized. On 8th November 1956 we had requested Sri Sastry to prepare a complete estimate for water supply of 30,000 gallons a day. But he has not complied with our request. There has been an avoidable expenditure of about Rs. 50.000 on account of this bad planning. For a reasonable requirement of water for the sanitary fittings, an estimate of Rs. 50,000 would have been adequate.

(vi) Sanitary Fittings.

62. Sri Sastry has furnished a list of rates for the fittings actually used as ascertained by him from the Divisional Stores. These rates show that absurdly high rates were provided in the estimate for the fittings. The original estimate of Rs. 5.50 lakhs was modified to Rs. 3.52 lakhs. Out of this, the Government did not sanction fittings for the Secretaries and Assistant Secretaries estimated to cost Rs. 85,600. Though the sanctioned estimate for sanitary fittings is thus only Rs. 2.68 lakhs, according to Sri Sastry the anticipated savings would be Rs. 1.5 lakhs. Thus the total actual outlay would come to about Rs. 1.18 lakhs. This includes provision for 25 water closets and 25 wash-basins for Secretaries and 40 wash-basins for Assistant Secretaries. This work was done in defiance of the express Government Order. No subsequent sanction has been obtained. The Government had ordered deletion of these items with a view to economy. If the officers concerned had carefully prepared these estimates, the Government might not have deleted these essential provisions for Secretaries and Assistant Secretaries. Anyway, execution of this work without obtaining Government sanction is highly objectionable.

63. On 30th November 1955, the Chief Minister ordered that an "up-to-date bath-tub with water spray and hot water and

other sanitary fittings may be provided in the Ante-Room of the Chief Minister's Chambers". Accordingly, the Stores Purchase Committee proceeded to purchase material costing about Rs. 6,620. The cost of fitting was to be extra. On 22nd September 1956, the Committee informed the Government that the proposed expenditure was extravagant and should be dropped. There is no necessity of a bath-tub for any dignitary in his office in the Vidhana Soudha. It was suggested that the other items may be of the superior type as provided in the sanctioned estimate. The Government accepted the suggestion and passed necessary orders.

64. The Committee is of the view that it should not have been left to the discretion of the Special Engineer to make purchases for which no express provision is made in the estimate which has received technical sanction.

(vii) ESTABLISHMENT.

65. Sri Sastry has given us his estimate for the maintenance of the Water Supply and Sanitary Connections. He has provided for a Sanitary and Water Supply Inspector, two Pump Operators, one Water Supply Fitter and two Helpers. To run an electric pump and to make occasional repairs to the fittings, all this staff is unnecessary. One Fitter should be sufficient to do the occasional repair work and also to look after the pump. There is a provision for 12 Scavangers and Cleaners and a provision for Rs. 110 for stores. These appear to be reasonable. This estimate of Rs. 13,200 is thus liable to be reduced by Rs. 3,768.

(viii) FIRE FIGHTING EQUIPMENT.

66. By his letter No. 41—F.S. 55-56, dated 27th September 1955, the District Superintendent of Police, Mysore Armed Reserve Police, informed the Special Engineer, Vidhana Soudha Division, about the First Aid Fire Fighting Equipment required for the Buildings. According to him, the following equipment would be necessary:

1.	Soda acid Extinguishers	119
2.	Foam Extinguishers	2
3.	C.T.C. Extinguishers	2
4.	CO Extinguishers	2
5.	Stirrup pumps	59
6.	Water buckets	177
7.	Sand buckets	60
8.	Axes	25
9.	Pick axes	25
10.	Shovels	25
11.	Small crowbars	25

67. As regards water supply, he suggested that at least 10 fire hydrants would be necessary to be provided all round the building—4 in the front, 4 in the rear and one on each side. All these hydrants must be connected to a 6 inches diameter main line provided with a boosting pump on the main line to increase pressure whenever required. It was stated that two static water tanks, each with a capacity of 25,000 gallons, must be constructed, one on each side of the building, and always kept full of water.

68. No action appears to have been taken by the Special Engineer on this letter, except forwarding a copy to the Government Architect for his information and opinion.

69. The requirements stated in para 24 were suggested without taking into consideration the provisions already made in connection with water supply for sanitary fittings and garden. The Committee considers that such separate provision is not necessary. If hydrants of a special type are required for fire hoses, they will have to be provided.

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RECOMMENDATIONS.

70. As already pointed out, the daily requirements of water for drinking and sanitary fittings should be 20,000 gallons a day during peak months. Even allowing a 50 per cent extra provision, the daily requirements will not exceed 30,000 gallons. Sri M. S. Narasimha Sastry had given this figure in his evidence. Accepting this figure, the provision of two tanks of the total capacity of 16,000 gallons would be adequate. Most of the other works have been executed. It would be sufficient to instal two 4 H.P. pumps, one of them being a standby.

71. The Committee considers that the present arrangement of taking drinking water from wash-basin taps in lavatories is hardly desirable and recommends that separate taps for drinking water should be provided. The Committee understands that filtered water costs Re. 1 per 1,000 gallons. The annual bill for filtered water would thus be Rs. 9,000 a year of 300 working days. Moreover, there is a shortage of filtered water for the citizens. It is, therefore, necessary to consider an alternative source of supply.

72. The Committee has learnt that the water from two of the four bore-wells has been chemically examined and pronounced to be potable. All the bore-wells being sunk at the same place, to depths of well over 150 feet and partly in rock, the water from the other two wells, can be assumed to be potable. The Committee have since suggested the Chemical analysis of the water from these two wells also.

73. The yield from the four bore-wells is estimated at 4,250 gallons per hour. It would thus be possible to meet the requirements of water supply for drinking and the sanitary fittings as also for the garden from these bore-wells. If necessary, one or two additional bore-wells can be sunk.

74. The storage reservoir has already been connected to the Corporation mains near the Ringwood Circle. Whenever necessary, this supply can also be tapped.

75. The Committee, therefore, makes the following recommendations :—

(i) The construction of the overhead storage tanks should be limited to the two tanks, of a total of 16,000-gallon capacity which are nearing completion.

(ii) The water from the bore-wells should be used for all purposes avoiding the use of filtered water altogether except when absolutely necessary *i.e.*, when the supply from the bore-wells becomes insufficient to meet the needs.

(iii) The Committee is informed that the water from the bore-wells is fit for drinking. Still, as a measure of precaution, the Committee would recommend chlorination of this water, unless filtered water from Corporation Water Supply is to be provided for drinking. In the estimate for Rs. 1,59,185 for the raw-water supply scheme, on the apprehension that the gardeners would be utilizing the water from the bore-wells for purposes of drinking, provisions for installing a chlorinator plant of the pulsometer type with acid seal, and with necessary connection have all been made.

The cost for chlorinating a daily supply of 30,000 gallons would just be about Rs. 100 per annum considering consumption at 1 lb. per day.

(iv) The distribution system for the layout and garden should be carefully planned so as to utilize the existing pumping mains from the bore-wells for direct tapping to fill small storage tanks to be provided in the several parts of the garden or the cisterns in the layout.

(v) Additional bore-wells should be sunk later on, whenever found necessary, depending on the requirements of the garden.

(vi) A twin-block quarter for a helper and a watchman only may be constructed at a cost of about Rs. 7,000 given in the estimate.

(vii) Separate drinking water taps in the building should be provided.

(viii) Separate provision for tanks and distribution pipes is not necessary for fire fighting. If special types of hydrants are necessary they may be provided.

Chapter XI.

(c) Vidhana Veedhi and Cement Concrete Roads all round Vidhana Soudha.

(i) *Vidhana Veedhi.*

76. The formation of a new road parallel to the Old Public Offices by shifting the alignment from the Circle to the North-East of the Government Press to the junction with Cubbon Road near the General Post Office to the West of the then existing roadway had been under consideration for some time past. The extension of this road beyond the Cubbon Road junction to Queen's Road was also under contemplation. The scheme did not come off for want of funds. Advantage was, however, taken of the location of the Vidhana Soudha on its present site to promote this scheme.

77. This road which is known as Vidhana Veedhi was divided into two portions:

(i) from Queen's Road to Cubbon Road, and

(ii) from Cubbon Road to Residency Park Road.

78. The estimate for the first road for Rs. 4,10,000 was sanctioned by Government on 21st November 1953 as a self-supporting scheme. The sanctioned amount included the cost of acquisition. The total expenditure was to be recouped by sale of abutting plots.

79. The estimate for the second road amounting to Rs. 1,95,600 was sanctioned by Government on 1st October 1955. It comprised of Rs. 73,000 for the first stage consisting of providing macadom sub-grade with curb and drainage arrangements and Rs. 90,000 for the second stage comprising of cement concreting the road. The remaining amount was provided for establishment, tools and plant, and other charges. The Government ordered that the cost of the scheme shall be borne by the City Improvement Trust Board because the scheme was self-sufficient. This was manifestly a mistake because no plots on the sides of the second portion of the road were to be sold to anyone. Though it was pointed out that the order was passed under a misapprehension, it was not amended.

80. Contrary to the provisions of the Public Works Account Code, the Trust Board carried on the work of the first stage in anticipation of sanction. This breach of rules was specifically condoned by Government. Later on, the Chief Minister ordered that cement concreting of the road, *i.e.*, the work of the second stage, shall be done by the Executive Engineer, Bangalore Division. The estimate of Rs. 1,89,000 submitted by that Officer is not yet sanctioned though the work is practically over. The increase in the estimate was largely due to the provision for concreting two Circles and a layer of 3 inches lean concrete of 1:4:8 proportion to form the sub-grade for the roadway. This lean concrete was to be laid on the macadom road and on the top a slab of 4 inches of 1:2:4 rich concrete was to be laid.

81. The Chairman, Trust Board, informed the Committee that its outlay on the first stage of the road amounted Rs. 92,500. The outlay on the second stage is not known. The outlay of the Vidhana Soudha Division for earthwork clearance of this road is about Rs. 30,000. The Division is entitled to be recouped for this expenditure.

82. The total cost of constructing the two-way road from Cubbon Road to the Residency Park Road would thus be about Rs. 3,11,500. The Trust Board is not willing to accept liability for this second stage exceeding Rs. 90,000. Whether the Government directs the expenditure to be met out of City Improvement Trust Board Funds or out of the grants to the Public Works Department is immaterial so far as the Vidhana Soudha is concerned.

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(ii) *Cement Concrete Roads (all round the building).*

83. A lumpsum provision of Rs. 1,00,000 for the cement concrete roads all round the Building made in the Rs. 80-lakh estimate was wholly deleted in the Rs. 50-lakh estimate which received the administrative approval of Government in June 1954. Although the comprehensive plan of these roads was available to the Special Engineer to estimate correctly the cost, a meagre provision of Rs. 50,000 for forming the roads was made in the Rs. 130-lakh estimate which was sanctioned by Government in September 1955. No provision was made for the drains.

84. On 10th June 1956, an estimate of Rs. 1,02,350 for the formation of macadom roads and drains round the Building was forwarded by the City Improvement Trust Board to the Special Engineer for his countersignature and for indicating the provision to meet the cost. The Trust Board had already taken up the work and it is since almost complete. The expenditure was incurred under the Trust Board Funds under Miscellaneous Advances to be recouped and regularised after funds are transferred from the Vidhana Soudha Division. The full outlay is not known as certain bills are yet to be settled on taking measurements. It appears that this estimate is awaiting sanction.

85. On 11th February 1956, the Chief Minister directed that the Executive Engineer, Bangalore Division, shall execute this work. An estimate of Rs. 4,23,400 was prepared by him for cement concreting the macadom surface of the road with 4 inches thick 1 : 2 : 4 cement concrete on a bed of lean concrete 1 : 4 : 8—3 inches deep *at* Rs. 112 per 100 square feet. The estimate included Rs. 67,000 for tools and plant and Rs. 6,000 for work-charged establishment. A provision was made for the purchase of two tractors with trailors, four concrete mixers and six vibrators at a total cost of Rs. 67,000. It was added that if this equipment was supplied by the Vidhana Soudha Division, the estimate would be reduced by Rs. 1,18,000 and a lumpsum provision of Rs. 30,000 would be made for maintenance of machinery during execution. The Vidhana Soudha Division had all this equipment and the estimate could have been reduced as proposed by the Executive Engineer. It appears the Chief Engineer did not scrutinize the estimate with the result that the Government sanctioned the entire estimate of Rs. 4,23,400 on 26th May 1956.

86. The suggestion of the Committee made in its Preliminary Report dated 20th August 1956 to effect substantial economies in this expenditure was accepted by Government and orders were issued for examination of possible economies.

87. By his letter dated 30th August 1956, the Executive Engineer, Bangalore Division has informed the Committee that this work was not taken up as there was no provision in the budget for the current year. He also added that the cement concreting work will not be taken up and instead chip carpeting work will be taken up after an estimate for the work is sanctioned.

88. In his letter No. 7106—R. B. 56-57, dated 28th August 1956, the Chief Engineer has informed the Committee that the estimate for this work and the Residency Park Road is Rs. 1.20 lakhs. No details were given. Even the break-up of the estimate of the roads round the Vidhana Soudha and the Residency Park Road has not been given. The entire area as given in the Rs. 4.23 lakhs estimate is 3,128 squares. A data statement * obtained from the Executive Engineer, Bangalore Division, who has executed Chip carpeting for several roads in his division gives Rs. 24 as cost per

* Annexure No. XVI (i) Vol. III.

100 per square. The cost of chip carpeting of 3,128 squares at this rate comes to Rs. 75,072. Adding for miscellaneous and unforeseen, the estimate should not exceed Rs. 75,500. There would thus be a saving of about Rs. 3.28 lakhs by substituting chip carpeting for cement concrete.

89. The total cost of the roads round the Building would come to about Rs. 1.78 lakhs while the provision in the sanctioned estimate is only Rs. 50,000.

(*d*) Tools and Plant.

90. The provision made for tools and plant in the Rs. 130-lakh estimate is Rs. 50,000 and the outlay against this is only Rs. 13,000. A sum of Rs. 3,90,379-12-0 to the end of November 1956 has been spent for purchases of lorries, concrete mixers, pump-sets, etc., and has not been included in the Vidhana Soudha outlay. It is shown under the Head " 81. Capital Outlay on Civil Works—New Supplies—Tools and Plant ". As the above equipment has been purchased for the exclusive use in this Division, this expenditure would be a correct debit against the provision for Tools and Plant in the Rs. 130-lakh estimate.

91. The expenditure of Rs. 1,73,676-9-0. for the purchase of 12 second-hand Dodge vehicles is not included in this figure. The expenditure is debited to the different Divisions to whom the lorries have been transferred. This amount should also have been debited to the Vidhana Soudha estimate because these vehicles were purchased for the Division and were palmed off to the other Divisions because, they were unserviceable.

92. One new T. D. 24 Tractor, one new H. D. 16 Tractor and two new big scrapers at a cost of Rs. 5,34,129 were obtained for the Vidhana Soudha Division through the Central Stores, Public Works Department. This amount should also have been debited to Vidhana Soudha under the Tools and Plant. Out of this, a sum of Rs. 17,352 is debited to " 81. Capital Outlay on Civil Works New Supplies—Tools and Plant " outside the Vidhana Soudha account.

93. Two scrapers and two tractors from Bangalore Division and two bulldozers from the Agricultural Department at a cost of Rs. 3,80,000 were obtained for Vidhana Soudha works. The cost of this equipment at the date of transfer should have been debited to Vidhana Soudha works. Neither this has been done, nor has any depreciation been provided for them and charged to the estimate.

94. Similarly, the equipments such as band-saw, circular saw and plaining machine costing about Rs. 40,000, which have been obtained for use in the wood section from Jayachamarajendra Occupational Institute, have not been charged off in the accounts of the Division. Neither any hire nor any depreciation is being debited for this equipment.

95. As regards the maintenance, estimates were prepared annually and sanction obtained as under :

	Rs.	
1953-54	80,000	Sanctioned by Government.
1954-55	79,000	Do do
1955-56	95,000	Submitted to Government.
1956-57	Estimate not yet prepared.	

Even these estimates are sanctioned under " 81. Capital, Outside the Revenue—Tools and Plant—Repairs and Carriages of Tools and Plant ". These should have been sanctioned and charged to the Building estimate.

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(*e*) GARAGES.

96. In the estimate of Rs. 50 lakhs, administratively approved in June 1954, no provision was made for garages. In the so called abstract estimate for Rs. 120 lakhs sent to Government in August 1954 for information, a provision for Rs. 3 lakhs was made for the construction of 15 under-ground garages and 500 cycle stands on the southern side of the building, and a further provision was made for 30 garages on the northern side of the building. These provisions were adhered to in the so called "modified abstract estimate" of Rs. 120 lakhs sent to Government for information in February 1955.

97. The idea of underground garages was then given up, and the cycle stand was proposed to be constructed below the Grand Steps. A lumpsum provision of Rs. 1 lakh for 30 garages only on the northern side was made in the Rs. 130 lakhs estimate sanctioned in September 1955.

98. As usual, the question of cost did not matter. Since the proposed garages were to abut the Residency Park, it was decided to make the terrace of the garages a part of the park and to provide garden seats. It was also decided to demarcate the park with an ornamental stone parapet wall on the southern end of the terrace at a cost of Rs. 30 per R.ft.

99. Apparently with this object in view, two way reinforcement is laid to make the roof quite strong for the purpose, and a special treatment of the weather proof coat is provided.

100. Since these garages are very near the northern portico, it was considered necessary to have architectural features in consonance with the Building. Pillars were to be finished with palmane dressing on the front face and with false capitals on either side of the pillars just below the beams. Finishing the front face of the R. C. C. beams over the pillars with verona and stone chips, providing beading for the beams, ornamental top railing in stone, etc., were contemplated. It was also decided to provide flooring with red oxide.

101. All this it was not possible within the lumpsum of Rs. one lakh. Actually fifty garages have been constructed. The total outlay so far is not known as the Register of works is not correct. The total outlay shown there till the end of October 1956 is only Rs. 32,000.

102. In the preliminary report the Committee suggested economies in the contemplated expenditure to the extent of Rs. 30,475 approximately. Simple type of parapet was suggested. The way the work is executed, it is unlikely that the outlay will be within the figure of Rs. 1.5 lakhs.

103. On account of the present location of the garages, about Rs. 45,000 had to be spent on earth work. The ground had to be cleared to a depth of nearly 15 feet on the north and to a depth of 9 to 10 feet on the south. The length of the clearing is about 600 feet and the breadth about 25 feet. The embankment on the north-western side had to be made sloping. A heavy expenditure of nearly Rs. 40,000 was incurred for the construction of the masonry retaining wall including jelly backing on the north. In order to approach the Residency Park from the Vidhana Soudha, two flights of steps have been provided at a cost of about Rs. 10,000. All this cost would have been saved by locating the garages at the north-west or south-west of the building and away from it. Apart from the financial considerations, the present location was not proper from the point of view of frontage. They are too near the northern side.

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104. 50 garages of an austere type located in the north-west or south-west, away from the building, would have cost only Rs. 61,500.* Taking the estimate of 1.50 lakhs for the Garages as correct and adding to it the earth work of 45,000 and the provision for Rs. 20,000 for parapet as executed, the total outlay comes to 2.15 lakhs. There would thus have been a saving of about 1.53 lakhs by locating the garages as pointed out above.

(*f*) Other Instances of Extravagance.

105. A few instances which are typical of the manner in which the works have been carried out in disregard of all rules of procedure and cost leading to extravagant expenditure are given below. It seems clear that the persons responsible did not bother about the financial or other implications of the various deviations made.

(i) *Central Dome.*

106. In the Rs. 80-lakh estimate, a provision of Rs. 5,32,610 was made for " Construction of 1 : 2 : 4 R. C. C. domes as per design including centering and curing with three line dressed stone facing and ceiling plastering (Dome heavily reinforced)" for 53,261 c.ft. at Rs. 10 per cubic foot. This estimate was prepared on the basis of plans approved by the Building Committee, the Chief Minister and other Ministers. The elevations show a Central Dome, side domes and four corner domes. The height of the Central Dome appears to be 160 feet above the ground level.

107. In the estimate of Rs. 50 lakhs, this provision was arbitrarily reduced to Rs. 3,72,827 by merely cutting down the rate to Rs. 7 per cubic foot.

108. In November 1953, the Chief Minister had given instructions that " in view of the construction of the third floor, the height of the dome may be increased after examining this aspect." It is significant that the Special Engineer did not communicate them to the Assistant Engineer in charge of the execution of Domes and direct him to make provision in the design of the supporting pillars for the additional load. Nor did he direct him to defer the work till the question of the height of the Dome and the consequent load had been finalized. This elementary precaution would have avoided the awkward situation that has developed now forcing the lowering of the height of the Dome which might affect the architecture of the building.

109. The calculations, the designs and the estimates of the Central Dome 161 feet high were prepared before the work was started in March 1954. The estimate was for Rs. 9,41,880. This estimate and calculations were submitted to the Special Engineer on 2nd March 1954. They have not been approved so far in writing either by the Special Engineer or the Chief Engineer or both.† Though the estimate was in excess of the provision made in the Rs. 50-lakh estimate by more than Rs. 5 lakhs, the work was allowed to proceed without competent sanction either to the excess that was involved or to the design or the calculations.

110. In the Rs. 130-lakh estimate submitted by the Special Engineer in March 1955 for Government sanction, this estimate for the Dome of 161 feet height was reduced by Rs. 2.2 lakhs to Rs. 7,21,880 without any rhyme or reason. In view of the fact that a higher Dome was under contemplation, a greater provision should

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* Annexure No. XVI—(ii), Vol. III.

† Witness No. 22, para 1, Vol. II, Part A, page 86, and Annexure X—Vol. III.

have been made. According to the work-slip prepared on the basis of data with the Executive Engineer in charge (the Register of Works not having been posted), the estimated cost comes to Rs. 10.25 lakhs.

111. The altered drawing for a 192 feet height of the Central Dome as approved by the Chief Minister was given to the Assistant Engineer in November 1955. This was for the portion above the terrace. By that time, the work had reached the third floor terrace level. Till this period, the work was proceeding at a rapid pace on 161 feet height basis as the Chief Minister was urging the Dome to be completed by December 1955. The work was done at extra cost for a long period during nights.

112. On 21st December 1955, the Assistant Engineer (now the Executive Engineer) submitted to the Special Engineer the calculations for this altered design for approval and proceeded with further execution in accordance with this altered design. In the meantime, further additions and alterations were made, which not only added to the cost but also to the load. On this account, the calculations had to be revised and they were submitted to the Special Engineer in February 1956. No approval has even now been given to these calculations.

113. As doubts were felt by the Executive Engineer in charge in regard to the strength of the R. C. C. pillars, he submitted to the Special Engineer in June 1956, a report, requesting him to get the design suitably modified to reduce the stresses on the pillars to a safe allowable limit and informed him that further work could not be undertaken unless the question was decided. As no orders were received, he stopped the work in July 1956.

114. At a meeting of the Technical Committee held on 2nd August 1956, the Special Engineer put up a proposal to strengthen the R. C. C. pillars " in order to take the additional weight due to increase in the height of Dome ". This proposal appears to have been put forward by him with the fond hope of retaining the height at 192 feet and the embellishments too. The Technical Committee did not discharge its duty in disposing of the proposal. It referred it to the Chief Engineer for scrutiny and disposal.

115. In the interim report submitted to Government on 20th August 1956, our Committee pointed out that it was possible to effect a saving of about Rs. 3 lakhs in the Central Dome by a suitable modification in design and materials and that on a discussion with the Committee, the Government Architect considered such a saving possible.

116. Till the work slips were submitted to the Chief Engineer in September 1956, no report was made to him in regard to these extraordinarily heavy excesses. The procedure of obtaining approval of Government for this major deviation was not even thought of as in so many other cases. It was only in November 1956 that the Executive Engineer has received for execution a modified drawing reducing the height of the Central Dome to 175 feet.

117. It will be seen from the above that in a matter of such great importance involving the safety of the structure and serious consequences arising out of a weak design, the Special Engineer and the Chief Engineer have not discharged their duties. It was incumbent on them to have examined this question from all points of view when the modified plan for 192 feet high-dome was under contemplation, or, at any rate, when it was received and to have taken effective steps. The work should not have been allowed to be proceeded with until the calculations given by the Executive Engineer were thoroughly examined on the first occasion in 1954 and on the second occasion when fresh calculations were necessitated by the additional height and embellishment which added to the weight. Without

such examination and without appropriate sanction, the execution of extra work should not have been undertaken. It is difficult to explain the reckless manner in which this work was handled except on the hypothesis of demoralisation caused by the interference of the Chief Minister in the day to day execution of the work.

(ii) *The Corner and Secondary Domes.*

118. Provision for the four corner domes and for the Secondary domes on either side of the Central dome had been made along with that for the Central dome, in the estimates of Rs. 80 lakhs, and of Rs. 50 lakhs at a uniform rate of Rs. 10 per c.ft. and Rs. 7 per c.ft. respectively.

119. In the subsequent estimate for Rs. 130 lakhs submitted by the Special Engineer in March 1955, for sanction of Government, separate provisions for the four corner domes at a lumpsum of Rs. 20,000 each and for the secondary domes at a lumpsum of Rs. 10,000 each, have been made.

120. The intention in providing the same rate for the construction of these domes, as for the Central dome, was to adopt the same quality and finish. Even while preparing the estimate for Rs. 130 lakhs, on this idea, the Sectional Officers got up the estimates for these domes for Rs. 3.2 lakhs, which figure was reduced by the Special Engineer arbitrarily and on lumpsum basis to Rs. 1 lakh.*

121. The End domes and the Secondary domes have since been constructed, and the works are complete, except for the finials. According to the work-slip, the cost comes to Rs. 3,80,000 for the end or corner domes at Rs. 95,000 each and Rs. 1,00,000 for the Secondary or side domes, at Rs. 50,000 each.

122. It is clear from the above that not only the realistic picture of the cost to be incurred was suppressed and drastically reduced without any basis, but the actual cost incurred is also extravagant and was necessitated with the adoption of additional embellishments, in complete disregard to cost.

(iii) *Trusses and Ceiling for Assembly and Council Halls.*

123. In the sanctioned Rs. 130-lakh estimate, provision has been made for 130 tons for trusses at Rs. 950 per ton, 329 squares of asbestos sheets at Rs. 200 per square and Rs. 7,000 for drainage arrangements at a total cost of Rs. 2,06,300, and 279 squares of ceiling at Rs. 150 per square, costing Rs. 41,850 . As against this total cost of Rs. 2,48,150 for the trusses, roofing and ceiling, the corresponding costs are Rs. 2,56,000 for trusses, Rs. 88,750 for roofing and Rs. 33,045 for drainage etc., and Rs. 1,91,775 for the ceiling, making a total of Rs. 5,70,070 according to the work slip that is now submitted to the Chief Engineer. The total excess is thus Rs. 3,21,920.

124 On 24th May 1955, the Technical Committee selected holoplast and fibre glass for the ceiling in view of their fire resisting and sound absorbing properties without taking into consideration the additional cost involved. Sanction of Government was not obtained for this heavy excess in the cost of ceiling or for the other deviations.

(iv) *Cutstone Pillars, etc.*

125. The provisions made in the estimate for the pillars, pediments, etc., and the southern entrance was Rs. 5,48,580 while the

* Para 46, Witness 2, Vol. II, Page 10.

work slip submitted to the Chief Engineer shows that the cost is likely to be Rs. 8,85,200 involving an excess of Rs. 3,26,620. The cost of each type of pillar has gone up very high and in several cases to more than 150 per cent of the original provisions.

Item in Estimate	*Provision per unit*	*Total provision*	*Cost as per workslip*	*Total cost*	*Per cent of excess*
	Rs.	Rs,	Rs	Rs	
9 (b)	950	34,200	1,400	50,400	141
11 (c)	1,800	7,200	3,500	14,000	194
11 (d)	2,200	3,800	3,500	14,000	159
11 (e)	1,850	14,800	3,200	25,600	173
33 (b) -3	10,000 (L.S.)			80,000	

All this was done without any sanction.

CHAPTER XII.

ACCOUNTS.

(*a*) Preliminary.

Para 1 of the terms of reference to the Committee reads as under :

" To examine the state of accounts and to assess its present position ".

2. A preliminary examination of the accounts disclosed that they were not properly kept, and that there were numerous irregularities. This was also the view taken by the Accountant General. It was not possible for the Committee to conduct a thorough audit of the accounts of the Division, which has to be done by the regular or any special agency after the accounts are fully written up. The terms of reference do not also contemplate such work by the Committee. But in order generally to get an idea of the actual condition of the accounts, a test audit was decided to be made, and for this purpose, the accounts of four months were selected at random, one in each year.

3. In the case of Stores, the Committee decided that in addition to a general review of the stores accounts, the manner in which the accounts were maintained and the methods adopted in dealing with Indents and Invoices should be examined. The audit staff were also directed to go through the detailed accounts of some important items such as Cement, Iron, Casuarina Poles, Centering materials, etc., and examine the procedure adopted with regard to purchases and accounting.

(*b*) Brief Description of the System of Accounting.

4. For an examination of the state of accounts and its present position, it is necessary to have a general idea of the prescribed system of accounting and the rules in the Public Works Account Code.

5. Under the Public Works Account Code, the Divisional Officer is the primary disbursing officer and as such, is responsible not only for the financial regularity of the transaction of the whole division but also for the maintenance of accounts of the transactions *correctly* and *in accordance with the Rules in force* (Para 651). He is further required to maintain *clear accounts* of all stores received by him and to make these available for audit (Para 11-c). He is also responsible to see that the accounts of his Division are not allowed to fall into arrears (Para 653).

6. The system of accounts is framed upon the principle that the Divisional Officer shall obtain a monthly clearance from the Accountant General for the whole of the expenditure incurred within his division, whether by himself or his subordinates. It is also so designed as to relieve him as much as possible of the duty of keeping books in detail ; while at the same time it is intended that he should keep up such records as shall enable him to maintain a full control over the expenditure and that he shall be held responsible for good management and economy throughout his division (Para 250).

7. One primary aim kept in view in framing the accounts of the department is to exhibit, through as simple a process as possible, but with thorough accuracy, the actual cost of work done and the actual receipts of the department. But it is also necessary that the accounts should be so kept, and the details so fully recorded, as to afford the requisite means for satisfying any enquiry that may have to be made into the particulars of any case, whether bearing

on the economy of the work or the honesty of the monetary transactions. It is, therefore, by no means sufficient that an officer's accounts as maintained should be correct to his own satisfaction; the records and details must be such as to be intelligible to any one who is a reasonably proficient Accountant (Para 252).

8. The Accountant is required, under the general direction of the Divisional Officer to abstract and condense the entire transactions of the Division for each month by receipts and disbursements, into one account. The Divisional Officer has to forward them with the needful explanatory vouchers and schedules of work executed to the Accountant General for audit. The Accountant General has to examine and audit these monthly accounts and then post against their proper heads of service. On his satisfaction that the accounts are fully and properly kept, he gives a clearance to the Divisional Officer (251).

9. For the convenient execution and supervision of works, Divisions will be sub-divided into sub-divisions, each sub-division being in charge of a Gazetted Officer (Para 95). He has to maintain *inter alia* (1) the initial accounts which include:

(1) Muster Roll,
(2) Measurement Book,
(3) Cash Book.

(2) the Daily Abstracts which include:

(1) Labour Report,
(2) Works Abstract,
(3) Daily Account of Receipts and Issues of stock.
(4) Daily Account of Receipts and Issues of Tools and Plant.

(3) monthly account of materials at site of works (Para 110).

10. The Sectional Officer or subordinate in charge of a work maintains the Muster Rolls, Measurement Books and submits the Rolls and the monthly materials at site account to the Sub-Divisional Officer, who will apply to them such checks as he may consider proper (Paras 99 and 104).

11. On the basis of the above, the following periodical returns have to be prepared and submitted to the Division Office by the Sub-divisional Officer:

1. Monthly account of material at site of works.
2. Monthly stock returns.
3. Monthly return of Receipts, issues and balance of stock and Tools and Plant.
4. Half-yearly return of stock.
5. Yearly return of Tools and Plant.
6. Yearly verification report of materials at site of works, (Para 110).

Muster Roll.

12. The Muster (or nominal) Roll is the initial record of the labour employed each day on a work and must be written up daily by the subordinate deputed for the work. The wages of these labourers is drawn on the Muster Roll. The daily attendance of labourers and the fines, if any, inflicted on them, should be recorded on the Muster Roll. The muster roll records the correct classification of the cost of labour by works and sub-heads of works wherever necessary. In the muster roll, the progress of work done by the labourers shown, should be recorded in all cases where such work is susceptible of measurement. If the work is not susceptible, a record should be made to that effect. In the Divisional Office, the muster rolls should be checked with the labour reports and measurement books.

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Measurement Book.

13. (*a*) A Measurement Book must be looked upon as the most important record, since it is the basis of all accounts of quantities whether of work done by daily labour or by piece-work or by contract or of materials received which have to be counted or measured. The description of the work must be entered so as to admit of easy identification of work.

(*b*) All stores whether tools and plant, stock or materials at site of works should be examined and counted or measured, as the case may be, when delivery is taken and the result of such measurement must be recorded in detail in the measurement book.

(*c*) All measurements of works are entered in the measurement book. It is incumbent on the person taking the measurements to record them clearly and accurately at the work spot and in ink, as this is the basis for all payments. All bills are prepared on the basis of these entries. The document on which payment is made should invariably bear a reference to the connected Measurement Book. When payments are made, the entries in the measurement book are crossed off.

Labour Reports.

14. As per para 115 of Public Works Account Code, a labour report should be prepared for each large work or group of works in duplicate, the original being retained by the subordinate in charge and the duplicate being sent to the Sub-Divisional Officer or the Divisional Officer as may be directed. When the work is carried out departmentally, it will be submitted either daily in Form P.W.G. 9 or periodically in Form P.W.G. 10 as may be directed by the Divisional Officer. The labour reports show the number of each class of labour employed on each work or sub-head. Discrepancies between labour reports and muster rolls should be investigated as soon as the rolls are received in the Division Office.

15. The object of a labour report is to keep the Divisional Officer or the Sub-Divisional Officer informed of the progress made with the different works, the number of men actually employed on the work and the appropriate amount of work they have executed and to see whether a proper out-turn is being obtained from the labour employed and to exercise some sort of check over the number of men supposed to be employed on the work.

16. It is seen in the Vidhana Soudha Division that the labour reports are being received on pieces of paper noting only the number of men employed in each category, *i.e.*, like bar-benders, carpenters, men coolies and female coolies, etc. Since the labour reports were not submitted in the prescribed form giving details as to the work on which they were employed, the rate at which they were paid and the approximate quantity of work done, the reports sent were not useful.

17. The Accountant General, in his inspection report of June 1956, has stated that the labour reports sent do not furnish the details of labour employed on each work or sub-head and that the allocation of labour furnished in the rolls cannot be checked with reference to the labour reports.

Works Abstract.

18. The works abstract records in detail the cash, stock and other charges on each work whether carried out by contract or departmental agencies. It is posted from day-to-day. The works abstract should be prepared in the Sub-Divisional Office

in the first instance. It should be posted day-by-day from the cash book and the connected bills of suppliers and contractors, cash refunds, etc. At the end of the month, stock and adjustment transactions should be added in the detailed statement provided for the purpose and quantities of work executed posted (Para 396). The works abstract should then be forwarded to the Division Office where all necessary completing entries will be made in respect of direct charges and adjustments made by the Divisional Officer (Para 396).

MATERIALS AT SITE ACCOUNT.

19. In the case of works for which materials are supplied departmentally, all departmental materials brought on to the site of a work from any of the following sources: (1) direct supplies, (2) stock manufacture, (3) other works, (4) from Divisional Stores or other Divisions, Department and Governments, should be entered as receipts in the materials at site account giving a brief reference to the measurement book or in cases of receipts from stock, to the Invoice Numbers. The subordinates should enter all receipts of materials from whatever source received except from stores in the measurement book, details of receipts being furnished therein. The materials so received have to be accounted for by the subordinates.

[*Note.*—All stores, whether tools and plant, stock or materials at site of work, should be examined and counted or measured as the case may be when delivery is taken and the result of such counting or measurement must be recorded in detail in a measurement book, (Para 119)].

20. There is a sub-head in the Works Register "materials at site" and this is a suspense head. All materials drawn from stores or delivered at the workspot are debited to this head. When the materials are utilised on the works, this is shown in the bills, the sub-head of account being indicated and the necessary adjustments are to be made in the materials at site account and in the Register of works.

21. In the case of big schemes in which the transactions relating to materials at site are likely to be heavy, the following procedure should be observed:

An annual register in Form P. W. G. 11-D should be maintained in the division and sub-divisional offices and sectional offices giving a continuous record of the receipts, issues and balances of all materials for a particular work for all the months of a year and a monthly return in Form P. W. G. 11-E in duplicate should be prepared by the sectional officer showing only those items of materials in which there are receipts and issues in a month and sent to the sub-divisional office. One copy of the return will be retained in the sub-division for posting the annual register maintained therein and the other copy sent to the divisional office for similar action. In the case of big works to which more than one sectional officer is attached, the section statements will be consolidated in the sub-division and the consolidated return sent to the divisional office, so that the annual register may be posted up-to-date. (Para 222-d).

22. The statement of materials at site of works may be closed on the 25th of each month to facilitate the submission of the accounts to the Divisional Office on the due date.

23. The Sub-Divisional Officer does not consolidate his accounts but sends them to the Divisional Officer where they are all consolidated. If the Division Officer is in direct charge of any work, as here, he maintains the accounts of such works in the same manner as in the Sub-Division. The main accounts which he keeps in addition to these in the Sub-Division are:

Register of Works.
Contractors' Ledger, and
Transfer Entry Book.

24. When the returns referred to in para 11 above are received from the Sub-Division, the Divisional Accountant would then be responsible for examining them and seeing that the accounts have been received in a complete state, the charges are covered by sanctions and that they are in all respects prepared in accordance with rules and that the claims are in order on the basis of rates sanctioned.

25. As an Internal Auditor, the Divisional Accountant would also have to conduct the detailed audit of muster rolls. The Code prescribes in detail (para 659) the duties of the Divisional Accountant in respect of Sub-Division accounts.

(*c*) RESPONSIBILITY FOR THE MAINTENANCE OF ACCOUNTS.

26. Although the Accountant General inspects the accounts of the Disbursing Officer, this *will* not relieve the *Chief Engineer* of the responsibility for the *maintenance of the authorised system of accounts* (para 727).

27. It will be the duty of the Chief Engineer to examine the Register of Works as to keep a vigilant watch over the rates of working (Article 727). The Superintending Engineer shares these responsibilities (Article 729) with the Chief Engineer.

28. In order to see that the prescribed rules and procedure are carried out, the Chief Engineer and the Superintending Engineer should inspect these Divisions annually and the prescribed form include detailed inspection of the accounts maintained in the Division.

29. *The Vidhana Soudha Division* was constituted with a Special Engineer and two Sub-Divisions together with certain staff in Government Order No. P.W. 5836-37—Est. 49-52-3, dated 24th September 1952 as a Public Works Division for the execution of the work by departmental agency. Two more Sub-Divisions were sanctioned in Government Order No. P.W. 5842-44—B., dated 12th October 1953 and one more Sub-Division was sanctioned in Government Order No. P.W. 11096-99—B., dated 28th January 1954. One Assistant Engineer was also sanctioned in Government Order No. P.W. 13021-3—B. 6-53-10, dated 5—6th August 1954 to work as an Assistant to the Special Engineer and also one more Sub-Division was sanctioned in Government Order No. P.W.B. 6-7—B. 6-56-1, dated 4th April 1956.

30. But even though Sub-Divisions were sanctioned by Government from time to time to cope up with the heavy progress of works, the Sub-Divisions were not organised as accounting units, nor alternatively was the division and stores staff suitably strengthened to meet the heavy work involved. It is no doubt true that large irrigation works and civil works of Hydro-Electric schemes of great magnitude have been and are being carried out in the State departmentally under an Executive Engineer without Sub-Divisions having been formed. Perhaps if the organization in this case also had been properly made right from the beginning, it may have been possible to do without Sub-Division accounting units here also without giving room to all the irregularities noticed by us. Unfortunately, the Special Engineer, having had no experience of large works carried out departmentally, was unable to foresee the requirements and arrange for competent and adequate staff in consultation, if necessary, with the Accountant General.

31. In view of his inexperience both of the departmental execution of large works and of accounts, it was his duty to have formed regular Sub-Divisions with sufficient staff for dealing with the accounts. The very magnitude of the work and the fact that it was executed departmentally, required, in the absence of proper and

adequate organization at Division level, that the Sub-Divisional Officers should take over completely all the work required to be done at that level. The Sub-Divisional Officers would then have been fully responsible for the maintenance of the accounts in their Sub-Divisions in a satisfactory manner and the strain on the division would have been relieved. The Divisional Accountant would then have had also more time to devote for checking up accounts.

32. In his evidence before us, the Divisional Accountant (Accounts Superintendent) states :—

> "if sub-divisions had been formed, the accounts would have been better maintained and proper scrutiny would have been easy. In a work of this large magnitude, sub-divisions are necessary and they are also required by the Account Code".

It is surprising that the Divisional Accountant knowing this, did not advise the Special Engineer to form Sub-Divisional accounting units. Perhaps, as he had no knowledge of the enormity of the departmental execution of a huge work of this nature programmed to be carried out in a period of 2-3 years involving innumerable complicated and heavy transactions, he did not press for the formation of accounting Sub-Divisional Units as he should have done.

33. The explanation of the Special Engineer that the constitution of a regular Sub-Division was considered unnecessary as the work was concentrated and on the same spot, is, to say the least, unconvincing, since, as already stated, no adequate arrangements had been made by him for the proper maintenance of accounts and an internal audit of the same.

34. It is no wonder, therefore that the state of accounts is chaotic. The Special Engineer had no means of watching the expenditure against sub-heads and more important, the rates at which the items were being executed. The Chief Engineer who is the proper administrative authority both on the executive and accounts side, was completely ignorant of the state of affairs.

35. At the time the work was started, the entire control over the accounts staff including appointments had been transferred to the Chief Engineer. With this transfer and the subsequent formation of a cadre of Divisional Accountants and their transfer to the Chief Engineer in G. O. No. Fl. (B) 10126-8—2—F. A. 46-53-2, dated 31st October 1953, *the entire responsibility for the proper maintenance of accounts devolved on the Chief Engineer.* It was therefore his duty to arrange for the same by posting such staff as would be necessary. If there were any difficulties in accounting procedure, the Chief Engineer had, in consultation with the Accountant General, to settle the same.

36. The responsibility of the Chief Engineer for maintenance of accounts and proper internal check was particularly great as the work was being executed departmentally involving employment of large labour and utilisation of a large quantity of materials.

(*d*) Inspections of the Accountant General.

37. The Accountant General has inspected this office six times on the dates noted below. Of these, three were ordinary inspections and three special inspections.

1st October 1953.
2nd October 1954.
3rd March 1955.
4th February 1956.
5th March 1956.
6th June 1956.

38. On 5th March 1954, the Accountant General made a special report to Government. In this report he pointed out that :—

> "(1) A work of this magnitude was being executed without administrative and technical sanction.

(2) that the work was executed departmentally.

(3) although tenders for several items of work were called for, it was stated that the tender system was unworkable on the plea that the tenders were defective and that the nature of work is complicated requiring special skill, etc.

(4) the accounting system following in the office is far from satisfactory as it does not meet the requirements either of the Executive or of Audit.

(5) in the absence of sanctioned estimates, no detailed postings are made in the Register of Works. In a work of such great magnitude executed departmentally, it is of vital importance to work out the cost of each unit for every item of work periodically and compare it with the approved rate or in its absence, of an approved data rate.

(6) the cost of materials issued to works from store was not also adjusted against the works.

(7) there could be no check either on the 'materials issued or labour employed in order to ensure that no quantity of materials was issued in excess of actual requirement and that the labour employed have turned out the full quantity of work expected of them'."

39. While requesting Government to examine once again the feasibility of entrusting the work on contract system, the Accountant General said that if that was not feasible, to arrange immediately for the maintenance of proper accounts in order to supply the requirements of audit and the executive also.

40. The letter concludes with a warning " that any delay would result in confusion and the position cannot be retrieved without considerable difficulty later on ".

41. In his subsequent inspections also, the same irregularities with several more were pointed out and the position regarding the state of accounts grew worse.

42. An extract of the important points raised in the inspection reports of the Accountant General and also corresponding irregularities observed by us is given in an Appendix.*

43. The decision to get a building work of this magnitude executed " departmentally " and to start the work in anticipation of sanction to the detailed plans and estimates and without proper arrangements for keeping accounts and for the necessary internal checks was most unfortunate. It is a matter of deep regret that the warning of the Accountant General given as far back as March 1954 fell on deaf ears. The Accountant General in his evidence states :

> " In the case of all big projects executed departmentally, to have control over expenditure as well as to ensure economy, first there must be an Accounts Officer under the Government who will control expenditure after internal prechecking and concurrent audit by the statutory audit stationed at the project site. *No expenditure should be incurred before a detailed estimate is properly sanctioned."*†

44. Shri V. T. Srinivasan, Retired Accountant General in his evidence states :

> " *As far as I am aware, no building work of this magnitude has ever been taken up in the Mysore State for execution departmentally. The Public Works Account Code does not contemplate the execution of such big works departmentally. If a decision to execute the work departmentally is taken, it is incumbent on the authorities to see that proper arrangements are made for keeping all the necessary accounts from the very beginning.* Between the Chief Engineer and the Accountant-General, the organization on the accounts side and the procedure to be followed can be decided within about a month. *For a large work of this type, it would have been desirable to have a pre-audit account office on the spot to pre-audit all the payments, maintain all the accounts systematically, inspect all the stores and materials and help the executive to get through the work without the occurrence of irregularities of a financial nature. * * * The need to have a pre-audit*

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* Annexure No. XVII, Vol. III.

† Witness No. 9, para 7, Vol. II, page 50.

*account office in the beginning itself is to prevent financial irregularities. If due to any defect in the procedure, irregularities occur. it will be very difficult at a later stage to fix responsibility or to properly disentangle the accounts relating to stores and materials used on the works and the detection of misappropriations or frauds become well nigh impossible.**

"There should be a proper organization both for execution of the work as well as for the maintenance of accounts and audit of payments including the purchases of stores. These should be brought out and carried through before the work is started. *All this should precede and not follow.*"†

45. It was necessary therefore that *before the work was commenced,* adequate staff was in position so that the accounting could keep pace with the execution of work. There was plenty of time to think about all these and organize everything properly because, while the decision to execute the work departmentally was taken on 24th July 1952, the work of excavating the foundation commenced only at the end of February 1953. The proper thing to have been done was to place the Accounts Section under a Senior Officer of the Accounts Department who could organize the accounts and stores section properly, see that the proper procedure for purchase was followed, preaudit bills and also act as Financial Adviser to the Special Engineer. As the work was being done at Headquarters, it would have been quite easy to obtain orders and sanctions promptly whenever the Audit Officer felt that they were necessary before he could admit the charges. Unfortunately, however, no attention was paid, either by the Special Engineer or the Chief Engineer to these essential prerequisites.

(*e*) INSPECTIONS BY THE CHIEF AND SUPERINTENDING ENGINEERS.

46. Shri H. Ananthachar who succeeded Shri K. S. Gangadhara is Chief Engineer from 24th November 1954. Shri T. Ramaswamy Iyengar was Superintending Engineer till Shri Muniappa was promoted as Superintending Engineer on 14th March 1954.

47. Maintenance of the authentic system of accounts by the Division Office is the responsibility of the Chief Engineer. The rules require him and the Superintending Engineer to inspect the Division Office at least once a year. As early as March 1954, the Accountant General had, among other things, pointed out that "the accounting system followed in the office is far from satisfactory as it does not meet the requirements either of the Executive authorities or of Audit." In spite of all this, the Chief Engineer and the Superintending Engineer have not inspected the Division Office even once during the last four years. The Superintending Engineer had no reasonable explanation to offer for his failure to inspect the office at least once.

48. The Chief Engineer Shri Ananthachar stated:

"I had realized the importance of maintaining the full accounts for the Vidhana Soudha Division and I was impressing on the Special Engineer the necessity to maintain proper accounts. It was only after the Accountant General's inspection report was brought to my notice that I asked my Financial Assistant to inspect the Vidhana Soudha Division. The Financial Assistant made the inspection two or three months after I instructed him to make the inspection. I did not ask him to make the inspection immediately. *I did realize the seriousness of the situation.* When I asked the Financial Assistant to inspect, it meant that he must do it immediately because there were Accountant-General's audit notes. I did not ask his explanation why he did not do the inspection for three months. There is no reason for this."‡

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* Witness No. 7, para 1, Vol. II, page 42.
† Witness No. 7, para 10, Vol. II, page 43.
‡ Witness No. 3, para 10, Vol. II, page 27.

He stated that no inspection report of the Accountant General was brought to his notice till June 1955. By that date, there were four inspections of the Accountant General, the last two were in October 1954, and February-March 1955. These reports must have been sent to him shortly after these inspections. The inspection done by his Financial Assistant in September 1955 did not take into consideration the several important matters stated in Form B, which is the form of annual inspection. In forwarding this inspection report to the Special Engineer for necessary action, the Chief Engineer did not make any observations and did not issue definite instructions to the Special Engineer to refrain from repeating at least the major irregularities noticed by the Financial Assistant. Contrary to rules, heavy amounts were being advanced as loans to Messrs. Kempiah Sons & Co. The Financial Assistant required the Special Engineer to state the authority under which such advances were made. The Chief Engineer should have directed him to immediately recover all outstanding advances and stop making further advances.

49. In his letter No. 6816—A.C. 56-57, dated 25th October 1956 addressed to the Committee regarding annual inspections of Vidhana Soudha Division, the Chief Engineer states :

> "As frequent inspections were conducted by the Accountant-General and there was not sufficient interval to enable the Departmental officers to conduct inspections; and added to this, there was no trained accounts staff before the Financial Assistant was posted, to conduct effective inspections and hence inspections could not be conducted before the Financial Assistant was posted. To this extent where frequent inspections are being done by the Accountant-General and reports of such inspections are being sent to this office and regularly reviewed, inspections of departmental officers in such cases will be redundant as important irregularities will have been brought to my notice by the Accountant General."

50. This cannot be accepted. Inspections by the Accountant General do not relieve the Chief Engineer of the responsibility for the maintenance of the authorised system of accounts in the department and do not relieve him of his duty to make frequent inspections of the Divisional and Sub-Divisional Offices under him (paras 727 and 730).* Nor can an inspection by his Financial Assistant be a substitute for his inspection. A Financial Assistant sanctioned by Government is to be in charge of the entire budget and account work in the office of the Chief Engineer. He has also to act as Financial Adviser and Internal Auditor, and to assist the Chief Engineer in the inspection of accounts in the various divisions.† He is from the cadre of Assistant Controllers. He is not expected to deal with the various technical matters involved in the inspections contemplated in Form B. There are so many account *cum* technical matters also, the irregularities in which can be brought out only by the Chief Engineer in his inspections and not by a mere Assistant Controller. The Government Order, therefore, requires him only to *assist the Chief Engineer*, and does not delegate to him the duty of the Chief Engineer to make inspections. The contention to the contrary § cannot be accepted.

51. Omission of the Financial Assistant to deal with all the matters specified in Form B was sought to be justified by the Chief Engineer in the following words :

> "While Financial Assistant conducts inspection, it is found not desirable to adhere to any questionnaire as such inspections become too routine and will not effectively bring to light several irregularities and this has been fully explained to Government while defining his

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* P. W. D. Accounts Code page, 727-28, 1953 E.D.

† Government Order No. P. W. A. 4793-96—Est. 67-3-5, dated 7—18th August 1954 sanctioning Financial Assistants to the Chief Engineer.

§ Witness No. 3 para 25, Vol. II, page 29.

duties and a set of rules for conducting inspections has been framed and submitted to Government."*

Till Government accepts his proposal, the Chief Engineer cannot ignore the specific provisions for inspections. If the Financial Assistant is his substitute, he must also adhere to these rules and Form B. It is idle to contend that inspections as per Form B are routine matters and do not effectively bring to light several irregularities. If any irregularity in addition to those required to be examined by the questionnaire are noticed, the rules do not prevent the Chief Engineer from stating them. The form itself makes provision for this purpose. The Committee takes the view that the questionnaire in Form B is essential in order to see that no important matter is omitted from inspection.

52. There is no force in his contention † that his duty to make inspection in accordance with Form B has been delegated to the Deputy Chief Engineer by Government Order dated 4th March 1954.‡ That order delegates certain powers of the Chief Engineer to a Deputy Chief Engineer *with a view to relieving him (the former) of some amount of routine work in his office.* The delegated powers are enumerated in the annexure. They include check inspection of Divisional and Sub-Divisional Offices mentioned in the schedule according to programme drawn up by the Chief Engineer. The Vidhana Soudha Division is not included in the schedule. The Chief Engineer had not included Vidhana Soudha Division in any programme of inspection by the Deputy Chief Engineer. The inspection according to Form B is not a check inspection and is not covered by the annexure. In answer to the question :

"What do you understand by 'routine work' in this order ?".

the Chief Engineer gave the following strange answer :

"By 'routine work' I understand 'periodical work of inspections'." §

The periodical inspections, which, it is the duty of the Chief Engineer to conduct,¶ cannot be a routine matter. They have to be conducted in the discharge of his responsibilities for maintenance of accounts, etc. ||

53. The Deputy Chief Engineer did not in fact conduct any inspection. Even after the Chief Engineer realised the seriousness of the situation,** he did not even ask this officer to make an inspection. The lame excuse for this omission advanced by the Chief Engineer is that being busy with several other works of the Department, he had no time to look to these details. He told the Committee that he had not seen whether the accounts of the Division were maintained in proper forms and that when he took over charge or at any time thereafter he did not enquire whether any inspection of this Division was done by his predecessor or his delegates for the financial years 1952-53 and 1953-54 though he was going to the works and was aware that all was not well.

54. This attitude of the Chief Engineer and his justification of his serious omissions are difficult to understand. The Committee is constrained to note with deep concern this serious lapse of the Head of the Department, particularly in the context of the repeated reports of the Accountant General about the chaotic condition of the accounts and his prophetic warning, "that any delay would result in confusion and the position cannot be retrieved without considerable difficulty later on."††

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* Letter dated 25th October 1956 : para 49 *infra.*

† Witness No. 3, para 26, Vol. II, page 29.

‡ Government Order No. P. W. 12843-45—Est. 17-53-11, dated 27th February—4th March 1954.

§ Witness No. 3, para 27, Vol. II, page 29.

¶ Paragraph 730 of the Public Works Account Code.

|| Paragraph 51 *infra.*

** Paragraph 49 *infra.*

†† Paragraph 40 *infra.*

CHAPTER XIII.

THE STATE OF ACCOUNTS AND ITS PRESENT POSITION.

1. In our letter No. 265—V. S., dated 10—11th September 1956, a preliminary report was submitted to Government regarding the above and in that report, for purposes of convenience we divided the accounts broadly under the following five heads :

(1) Stores Accounts.
(2) Materials at Site Account.
(3) Works Abstracts.
(4) Register of Works, and
(5) Work Slips.

(*a*) Stores Accounts.

2. In that report, we have already noted that stores accounts were not maintained until the end of December 1953 in the form prescribed by the Public Works Account Code. During this period, three separate registers for (i) cement, (ii) steel, and (iii) miscellaneous articles were maintained and the receipts and issues were entered in these registers. The monthly accounts were extracted out of these by the Divisional Accountant until the present store-keeper reported to duty in the middle of December 1953.

3. Our review of the stores accounts discloses that they were most imperfectly maintained and serious errors and irregularities have been noticed :

(1) There were numerous errors in posting.
(2) Issues had been made without proper indents.
(3) No account of returned materials was maintained till June 1956.
(4) Cement had been issued on loan to the contractor of A.G.'s Office in spite of objections.
(5) The half-yearly counting was not properly done and in the case of steel, not done at all.
(6) The half-yearly returns of stock sent to the A.G. were imperfect and returns since September 1955 not sent at all.

4. We do not intend cataloguing the numerous errors in posting. They are so numerous that to get a correct position of the cement and steel accounts, special staff had to rewrite completely the accounts of these materials. In quite a large number of cases, materials had been issued and the indents were not forthcoming and they were produced later. How issues could have been made without indents passes our comprehension. Our notes regarding steel and cement accounts * are illustrative of all types of irregularities observed in the posting of these Stores Registers.

5. Though printed books were available, indents were issued in this Division in many cases on slips of paper which did not contain sufficient details and did not contain acknowledgments for the materials received. We have come across several indents for issue of materials signed by the Store-keeper himself. Such irregularities give scope for malpractices.

6. Indents are to be issued in Form P.W.G. 25 in order to ensure correct accounting of materials both in the stores and materials at site account. It is very necessary also to machine-number the indent books and the leaves and to account for the same in the manner prescribed for measurement books (*vide* para 134 of the Public Works Account Code).

7. We found a series of entries in October 1956 of indents relating to issues which had been made earlier and which had been omitted ; we also came across certain interpolations in respect of issues alleged to have been made. These indents have been put up by

* Annexure XVIII, Vol. III.

the Store-keeper in September 1956 and the authority is " as per Materials at site account ". We have reported to Government in our letter No. 919 dated 26th December 1956 that the matter requires further enquiry.

8. The Stock Receipt and Issue Registers are not in printed form and are written in manuscript. The pages are not machine numbered. The maintenance of these Registers in this manner gives room for irregularities.

9. The question of maintaining Stores Ledger in " Card Index Loose Leaf Ledger Forms " suitably bound as in the Electrical Department may be considered. Such a register would show at a glance the transactions of each material, such as purchases, issues and sales.

10. In concluding these paragraphs regarding 'Stores', we would suggest the complete check up of the " Stores Ledger " and arriving at correct balance of each article for checking up with counted balances as referred to in para 18 *supra*.

Half-yearly Counting Certificates.

11. The half-yearly counting certificates of stores are not being submitted to the Accountant General regularly. The certificates for September 1955 and March 1956 had not been forwarded even at the end of September 1956. An extract from the Accountant General's letter No. D. O. W.I.—V.C.—233, dated 3rd November 1956 received by the Committee states the position as under :—

> " As the stock return of the Division for the half-year ending 30th September 1953 was received in an incomplete and imperfect manner, it was returned to the Special Engineer with necessary observations in my office letter No. 65/VS/WI, dated 21st June 1954, and it has not yet been received back with reply in spite of reminders. The returns for 3 subsequent half-years (*i.e.*, for the periods 31st March 1954, 30th September 1954 and 31st March 1955) though received in my office later, had to be returned unaudited to the Special Engineer with a request to resubmit the same along with the return for the half-year ending 30th September 1953 cited above, as no audit could be conducted without checking the opening balance of the previous return. They are still awaited. The returns due for the periods ending 30th September 1955 and 31st March 1956 have not been furnished to my office so far."

12. The statement * shows the values of stock as per half-yearly return and as per monthly accounts. It will be seen therefrom that there are large differences between these two and no attempt has been made to reconcile them.

Simultaneous Counting of Stores and Materials at Site.

13. As neither the stock nor materials at site were properly counted, in our D. O. letter dated 26th September 1956, we reported to Government that it was necessary to get a physical verification of the stock both in the stores and at site done simultaneously and get this checked with the stocks as per accounts as the half-year ended that month. The Committee suggested that this verification may be done under the supervision of the Deputy Controller, Shri S. P. Nanjundappa, and in our further letter dated 27th September 1956, we suggested that the counting may be done on the 30th September, as this would enable the department also to properly certify the half-yearly counting of stock as per para 198 of Public Works Account Code. In their order dated 28th September 1956, Government approved of the proposal and directed that the services of all the Gazetted Officers under the Special Engineer may be placed at the disposal of the Deputy Controller.

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* Annexure XIX, Vol. III.

Chapter XIII.

14. This was not done by the Special Engineer on the ground that "since all the officers and other executive staff are busy this month in connection with the finishing works so as to arrange for the early occupation of the building, the work will be taken up after the urgent works are completed". He, however, said that necessary assistance would be given for checking the articles *in the stores.*

15. The Committee thereupon reported to Government that this would not serve the purpose. The Committee was particular for obvious reasons that the articles in stores and those at site should be counted simultaneously and the balance so counted checked up with the account balance. The Committee stated that unless this was done, they could not say that the balances as shown in the accounts reflect the position correctly. They added: "this is the time for the half-yearly counting of stock and this time was most opportune for the stock-taking of the type contemplated. It is a pity this has not been possible and the Committee would have to draw up its report without the results of such a verification which would be a very serious omission".

16. On 11th October 1956, Government replied that suitable instructions were being issued to the Special Engineer to complete the work in accordance with the desire of the Committee.

17. In spite of this order, the Special Engineer did not make necessary arrangements and he stated that "to arrange for the same, takes good lot of time and it is not possible to count them within a day as required by Government and the counting of steel alone takes more than a month". But on our insistence, the physical stock verification of a few articles was conducted on 22nd October 1956 as per Government Order No. P. W. B. 5960-62, dated 11th October 1956 with the help of the Stock Verifier and in the presence of the Store-keeper. The articles were selected at random for verification. The result of stock verification is exhibited in the last two columns of the Statement.*

18. After the counting of the articles, the next step was to work out the differences between the book balance and the counted balance. This presented a huge difficulty since the book balances at the end of September 1956 were not available. The last available book balances were of 31st March 1956 and here again the book balances differed from the counted balances as per half-yearly return that had been prepared for submission to the Accountant General in the case of the items noted below:—

	Book balance as on 31st March 1956	*Counted balance as on 31st March 1956*
Cement ..	6,382 Bags	2,732 Bags
White Cement ..	4,148 Lbs.	4,138 Lbs.
Coir Rope ..	10,852 Lbs.	10,752 Lbs.

We have taken as opening balances the counted balances as on 31st March 1956.

19. The receipts and issues of the articles for the subsequent months to the date of counting were then worked out with reference to the invoices and indents and the closing balance as it ought to be as on the date of counting was arrived at.

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* Annexure XX, Vol. III.

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20. Here again we found discrepancies between the figures in monthly accounts submitted to the Accountant General and those as worked out by us in the case of the following items :—

RECEIPTS.

Name of articles	*Unit*	*Month*	*As per monthly a/c*	*As per figures checked by us*	*Difference*
White Cement ..	Lb.	4/56	27,235	27,375	+140

ISSUES.

White Cement ..	Lb.	9/56	19,805	19,055	—750
Coir Rope ..	Lb.	4/56	15,353	15,273	—80
Coir Rope ..	Lb.	5/56	26,852	28,511	—1,659

21. We note below the results of verification in respect of the following items :—

Sl. No	*Name of items*	*Balance as they ought to be as worked out by us*	*Counted balance*	*Difference*
1.	Cement ..	—791	1,507	+2,298
2.	White Cement ..	370	2,156	+1,786
3.	A. C. Plain Sheets ..	171	5	—166
4.	Aluminium Sheets ..	—8	58	+66
5.	Synthetic Enamel Paint	195	75	—120

Cement.—It will be seen from the above that the closing balance as worked out in the case of cement will be (— 791) while actually the counted balance was + 1,507 bags. This means either (i) the counted balance for the half-year ended 31st March 1956 was not correct or perhaps it was not properly counted at all, or (ii) that indents have been entered in the issue register without issue of materials. This is a very serious matter requiring further investigation. In any case it is clear that the accounts in the case of such important material are in confusion.

White Cement.—Similarly in the case of white cement, the counted stock is more than the book balance. The same remark as in the case of cement will apply.

A. C. Plain Sheets.—It may be observed that there is shortage of 166 and curiously the opening balance was also shown as 166. The obvious inference was that the opening balance *did not exist* and the figure shown as counted on 31st March 1956 is incorrect.

Aluminium Sheets.—In this case also the closing balance as worked by us resulted in (—8) while actually the counted balance is 58. This case is also similar to that of cement.

Synthetic Enamel Paint.—There is a shortage of 120 gallons which will have to be properly explained.

22. The results of our counting show (i) that the alleged counted balances as on 31st March 1956 are incorrect, or (2) entries have been made in the registers without corresponding issues. Such a stores account obviously gives room for fraud.

ACCOUNT OF RELEASED STEEL INCLUDING RETURN OF CUT PIECES.

23. No account of 'Released materials' has been maintained. We noticed that large quantities of cut pieces of steel returned to store remained unaccounted for and some of them had been reissued and entered in the issue register. A register has been opened recently

but this is incomplete. The Register contains only two entries in respect of the return of M. S. Rods :

	Quantity
September 1956—	
Return Indent No 164, dated 4th September 1956	T. 5- 3-2-26
October 1956—	
No return Indent No. is quoted in support of this entry	T. 0-13-3-22
Total ..	T. 5-17-2-20

24. The materials at site account of some of the subordinates up to end of September 1956, however, shows that the following quantities have been returned to the stores by the subordinates :—

SRI B. VASUDEVA CHETTY.

Indent No.	*Quantity*	*Remarks*
136/2-7-53		
154/9-7-53		
4/11-7-53		
6/17-7-53	T. 1-14-1-15	(5/8")
13/24-7-53		
16/27-7-53		
Indents Nos. 20, 22, 24, 25, 30, 32, 34, 36, 37, 39, 42, 43, 46 and 47 for August 1953 ..	T. 9- 7-0-26	(5/8")
Indents Nos. 56, 60 and 62 for September 1953 ..	T. 1- 0-0- 4	(5/8")
Do for July 1953	T. 0- 1-0- 8	(3/8")
Do for July 1953	T. 0- 1-0-21	(1/2")
Do for October 1953	T. 0- 5-0- 9	(3/4")
(a) Total ..	T. 12- 8-3-27	

SRI BALAKRISHNA, SURVEYOR.

36/13-10-54	T. 2-17-0-16	(Waste pieces $\frac{1}{4}$" to $1\frac{1}{4}$")
113/8-3-56	T. 0-19-3-20	(cut pieces $\frac{1}{4}$" to $\frac{3}{4}$")
84/29-8-56	T. 1-11-2- 1	(1 1/8" to $\frac{1}{4}$" full rods)
120/26-9-56	T. 1-10-0-21	($\frac{3}{4}$" to $1\frac{1}{4}$" full length rods)
140/2-10-56	T. 0-12-0-19	(Cut pieces $\frac{1}{2}$" to 1 1/8")
(b) Total ..	T. 7-10-3-21	

SRI R. PRASAD.

11/17-12-55	T. 1- 4-1- 0	(3/8")
13/15-1-56	T. 2- 3-0-11	(1 1/8" shown as minus in the Issue Register.)
13/15-1-56	T. 4-11-0- 0	($1\frac{1}{4}$" do
18/28-4-56	T. 2- 6-0- 0	($\frac{1}{2}$" to 1 1/8")
21/26-6-56	T. 0- 4 3- 0	(1")
22/3-7-56	T.11- 2-3-15	(5/8" to 1 1/8")
(c) Total .	T.21-11-3-26	

SRI HONNURAPPA.

16/4-9-56	T. 5- 3-2-26	(Cut pieces of 3/8" to 1")
(d) Total ..	T. 5- 3-2-26	

SRI S. T. NAGARAJ.

No. 17/23-1-56	..	T. 0-2-0-0	(3/8" M.S. Rods shown in the Issue Register as minus entry).
	Total ..	T. 0-2-0-0	

The total quantity returned as per these accounts :

(a) from Sri B. Vasudeva Chetty	..	T. 12- 8-3-27
(b) from Sri Balakrishna	..	T. 7-10-3-21
(c) from Sri Prasad	..	T. 21-11-3-26
(d) from Sri Honnurappa	..	T. 5- 3-2-26
(e) from Sri S. T. Nagaraj	..	T. 0- 2-0- 0
Total returns	..	T. 46-17-2-16

As against the receipt of Tons 46-17-2-16 as above, the register of released materials maintained in the stores section shows an account of only Tons 5-17-2-20.

It may be observed that although no register of returned materials was maintained and receipts of these cut pieces noted therein, issues have been made to Supervisors in 1953 and again early in 1956 totalling Tons 9-5-3-3.

25. The stock of steel has not been counted at any time. Though the Committee particularly desired that it should be counted, it was not done in spite of the Government Order dated 11th October 1956.* It could have been done without any difficulty within three or four days at the most. This should be got done immediately.

COUNTING OF MATERIALS AT SITE.

26. According to para 227 of Public Works Account Code, unused balances of materials charged direct to works should be verified at least once a year and a report of verification of the materials prepared in the prescribed form by the Sub-Divisional Officer and submitted to the Divisional Officer giving reason for the differences in quantities between the book balances and those actually counted at the site of works. This has not been done.

27. The Accountant General has also referred to this in his report dated 28th April 1956 for March 1956. Commenting on the imperfectness of the materials at site account, he has stated that—

> "Action may be taken to verify the ground balances at the end of March 1956 independently and the results of comparison of the book balances and the verified balances intimated."

This was not taken notice of. Even now this should be got done simultaneously with the counting of stores.

(*b*) MATERIALS AT SITE ACCOUNT.

28. While accounts have been maintained in regard to materials obtained in the sections directly, the accounts of materials received from stores have not been properly maintained in so far as values of materials received are not entered. There are several instances of discrepancies between indents and actual issues of materials. Several Nominal Rolls show larger issues of materials on works than the specifications warrant.

29. The monthly returns sent to the Divisional Office from the sections were therefore incomplete. These returns even as they were

* Para 17 *infra*.

have not been checked and compiled in the Division Office nor was their submission watched.

30. Instead of getting these accounts in a complete form and seeing to it that they were received correctly, promptly and on due dates, the Division Office shelved these returns and for purposes of the accounts to be submitted to the Accountant General, they took the figures for direct purchases from bills and for issues of stores from the stock accounts.

31. In the absence of materials at site account, the works registers were not properly posted, only quantities without values being noted therein. The omission of charging the value of stores consumed by works and to adjust the same in the works register, has contributed largely to the confusion in the materials at site account. Subsequent attempts to regularise this have not been of much avail. Although these materials are stated to have been issued to works, they have not been charged off in the works account to the several sub-heads, with the result that the works register which is a very important register is still incomplete and is practically of no use at all. It may be observed here that the Accountant General has been repeatedly pointing out these defects but they have not been rectified yet. The position to-day is that nearly *Rs. 55 lakhs* is outstanding adjustment in the materials at site account.

32. In order to see how far the entries in the Nominal Rolls, Measurement Books and Materials at Site Register agreed with each other—as they ought to agree—we examined the rolls of some Supervisors. It was found in several cases that materials in excess of requirements have been issued.*

(*c*) Works Abstract.

33. When accounting Sub-Divisions are formed, these abstracts are compiled in the sub-division and sent to the Divisional Office where they are checked and returned with a certificate. The works abstracts while giving a progress of the expenditure is very useful in checking rates, etc. In the Vidhana Soudha Division, in the absence of works abstracts prepared by the Sub-Divisional Officers, they were compiled in the Divisional Office from the materials account sent by the Section Officers and the accounts rendered by the Stores. Even in these abstracts, the values of stores were omitted and they therefore served no purpose.

34. Para 398 of Public Works Account Code lays down that the monthly examination of the works abstracts is an important part of the duties of the Divisional Officer and must not be omitted. This was not done at any time.

(*d*) Register of Works.

35. The Register of Works contains a record of every important work or repair showing the expenditure month by month compared with the estimate. The expenditure is recorded by sub-heads of work such as earth work excavation, cement concrete for foundation, size stone masonry, R.C.C. or stone pillars, roofing, parapet walls and so on, which are specified in the sanctioned estimate. The object of such a record is to show to the Divisional Officer the progress of works by sub-heads and the rates at which different kinds of work are carried out, to control excesses or deviations and to obtain sanction where necessary.

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* Para 61, *supra.*

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36. Although the work was started in 1953, this most important register was not maintained at all till April 1954. The Accounts Superintendent in his evidence states:

> "From April 1953 to October 1953 * * * * the expenditure was being booked in a lumpsum. I cannot say why we have not booked expenditure by sub-heads. From September 1953, I analysed the expenditure under about a dozen sub-heads and compiled accounts from March 1953.
>
> "From April 1954, I got the 'C' Register maintained according to the sub-heads in the Rs. 50 lakhs estimate. The 'C' Registers, were maintained correctly till about February 1955. From March 1955 we began to maintain these registers according to the sub-heads in the Rs. 130 lakhs estimate which was under preparation.
>
> "In October 1953, there was an inspection by the Accountant General and the accounts were found to be very unsatisfactory." *

37. The statement of the Accountant that the 'C' registers were maintained correctly from April 1954 to February 1955 is *not* correct. The values of materials issued to works were not incorporated therein and so the outlay figures could not be obtained.

38. When the Special staff to clear the arrears was given in July 1955, new registers of works were opened with sub-heads as per the Rs. 130 lakhs estimate; but even here they were not in the prescribed manner in so far as separate registers were opened for labour and materials. The labour and materials were posted from the Rolls and bills but the values of materials were not adjusted. These registers are maintained by blocks: North, Central and South. Postings have been made now in the northern block in the labour register up to end of September 1956 and that of materials up to end of March 1956, in the southern block both labour and materials up to July 1956, and the central block labour and materials up to March 1956. While issue rates for each half-year as fixed by the Divisional Officer had to be taken to adjust these values, the special staff could not do so as no such values half-yearly, had been fixed by the Special Engineer. The difficulty in giving the values to be adopted for these postings is not clear.

39. Since the Committee could not wait till the completion of these registers of works, the Special Engineer and the Divisional Accountant were requested to post extra men and complete the materials side of the register of works and give the Committee the totals of the quantities and the value of the several items of the works as per execution to enable it to compare with the quantities and values as per estimate. The Special Engineer promised to get this done. This was reported to Government with a request to issue orders to complete the Register of Works expeditiously. Accordingly Government directed on 17th September 1956 the Chief Engineer to take immediate action to complete the postings of works register well in time to enable the Committee to examine the accounts before drawing up its final report.

40. Subsequently, when the rates were asked to be worked out at least up to end of March 1956, the Divisional Officer stated that as the figures arrived at from the entries in the works register were fantastic, he could not accept the postings as correct nor use the rates as worked out for comparison with estimated rates. He says:

> "I discovered about 2 months back that the 'C' Registers were not correctly written because the rates worked out from these appeared to be fantastic. * * * They had taken the 1956 rates for steel for the work executed in 1953, 1954 and 1956. They have taken the highest rates of 1956 for certain other materials".

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* Vol. II—Witness No. 14, page 62, para 9.

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41. Actually, however, these rates had been given by him only. According to the Account Code, the rates for the 'C' Register had to be prepared for each half-year in advance.* But the Special Engineer did not do so. Instead, he gave "the average rate from March 1953 to September 1955 for posting the 'C' Registers." The 'C' Registers were accordingly posted. But the Special Engineer had not checked these registers after these rates were approved by him on 21st September 1956.† Asked as to why he did not follow the Account Code in the matter of fixing the rates he stated,

> "It is possible to prepare half-yearly issue rates for each half-year. *But we have not done that because it is laborious.* We adopted an easy method to work out the rates."‡

His evidence further shows that even these rates had been fixed carelessly, if not arbitrarily. The Accountant General was repeatedly pointing out that the Register of Works was not posted. When the special staff for clearing the arrears was posted to do this work, neither the Accounts Superintendent nor the Special Engineer cared to see what work was being done by the staff and whether the registers were being posted correctly.

42. In view of the Government Order,§ it was incumbent on the Chief Engineer to see that the data required by the Committee were furnished to them and that too in time. He did not take any interest in the matter. Apart from the Government Order, it was his duty to examine the Register of Works so as to keep a vigilant watch over it. He has failed to discharge this elementary duty.

43. For the following lumpsum provisions in the estimate, the Register of Works does not show the expenditure by sub-heads although the estimates exceed Rs. 10,000 :—

		Cost of estimate	
1.	Clearing and levelling	1.0 lakh	
2.	Construction of garden	1.5 lakhs	
3.	Formation of roads alround the Vidhana Soudha	1.5 lakhs	
4.	Repairs and carriage of Tools and Plant ..	0.40 lakh	Annual
5.	Maintenance of Tools and Plant	0.40 lakh	Annual
6.	New furniture	1.85 lakhs	

REGISTER OF WORKS FOR PROVIDING SANITARY FITTINGS AND WATER SUPPLY CONNECTIONS TO VIDHANA SOUDHA BUILDINGS.

44. The sanctioned estimate for sanitary fittings is 3.52 lakhs and for water supply is 1.48 lakhs. Two work registers are maintained in respect of the above estimates. The postings under sub-heads in these registers are most imperfectly done and it is seen, that the abstract is not at all completely posted in both the registers. The postings are not even up-to-date. So much so, it is not possible to find out the exact outlay incurred against each estimate.

45. A detailed perusal of the postings shows the following defects :—

(1) The outlay booked under each sub-work which has been completed shows large amount of savings, while actually this is not so.

(2) Many columns are left blank although outlay has been incurred.

(3) For the work of constructing pump house, an outlay of Rs. 2,531-1-0 towards labour has been posted while the cost of

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* Paragraph 376 (d), Public Works Account Code.
† Witness No. 2, para 84, Vol. II, page 17.
‡ Witness No. 2, para 89, Vol. II page 17.
§ See para 39 *infra*.

materials, *viz.*, Rs. 8,713-9-9 has been merely noted as B. F. and is not added to the total outlay.

(4) Under laying 8 inches C. I. Main, etc., which work is completed, while estimate is Rs. 20,900, the work register shows only Rs. 7,137-4-0 and as per Supervisor's account the outlay is Rs. 10,135.

(5) Under constructing a storage reservoir against estimate of Rs. 15,000, the register shows only an outlay of Rs. 1,016-4-0 and the work is completed.

(6) Vr. No. 239 dated 25th September 1956 for Rs. 141-1-0.— The work relates to the construction of a cistern for sluice valve whereas the posting is made in the work register under 8 inches C. I. Pipes.

46. It is seen that the total outlay to end of September 1956 under the item 'water supply and sanitary fittings' is Rs. 2,00,585 as per consolidated register of works. A rough abstract in the accounts branch shows oultay as under:

	Rs.	a.	p.
Sanitary works	1,21,643	8	3
Water supply	17,109	2	6

The rest, *i.e.*, the difference between this and the outlay in the consolidated register is stated to be difference in materials.

47. Obviously the figures are all wrong as the outlay on 3, 4 and 5 items referred to exceeds Rs. 20,000 while the abstract shows only Rs. 17,109-2-6. The entire registers have to be rewritten if we are to have a correct idea of the outlay.

48. Although there was a separate Assistant Engineer (now Executive Engineer)in charge of this work, he disowned all responsibility for the maintenance of the 'C' Register. He stated:

> "From either the 'C' Registers or from the abstract, I am not able to say the total outlay on materials or labour on this work."*

The Special Engineer has not reviewed this or any 'C' Register.

49. It is needless to add that no proper check over expenditure could have been possible in the absence of these very essential registers. The Committee has therefore lost a very valuable opportunity of checking rates actually worked out with estimated rates and offering their comments. Similarly they could not compare quantities of works as executed with those in the estimates and examine cases, if any, in which appreciably large quantities involving heavy excesses are executed.

(i) Work Slips.

50. Immediately on its becoming apparent that whether from excess in rates or from departure in design or any other cause, the estimated cost of work is likely to be exceeded, the Officer-in-charge has to report the fact immediately to the Superintending Engineer or the Chief Engineer describing the nature and cause for the excess and asking for orders. Although there have been excess of expenditure over estimates under several sub-heads, no work slips were prepared as the work progressed. This is a very serious omission.

51. These excesses have been going on ever since the Rs. 50 lakhs estimate was sanctioned. Whenever quantities or specifications were changed involving exdesses over the provisions in the Estimates, the probable excesses should have been worked out and sanction of Government to the deviations obtained intimating to them the extra cost. This was not done on the plea that the estimate

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* Witness No. 13, paras 29 and 30, Vol. II, page 58.

itself was going to be revised to cover these excesses. Government was therefore kept in the dark regarding these excesses to which they were being committed. In spite of excess over data rates being provided for in the Rs. 130 lakhs estimate, there are excesses even under those estimates due to changes in design, excess in quantities and rates. The five work slips now sent to the Chief Engineer in September 1956 amounting to Rs. 26.40 lakhs are as under :

			Rs.
1.	*Workslip No.* 1 14-8-56 ..	Cutstone pillars, Secondary and Corner Domes	7,13,200
2.	*Workslip No.* 2 30-8 56 ..	Wood-work	2,50,481
3.	*Workslip No.* 3 28-9-56 ..	Main Dome	3,46,470
4.	*Workslip No.* 4 25-9-56 ..	Trusses and flooring	6,54,000
5.	*Workslip No.* 5 30-9-56 ..	Miscellaneous cutstone works ..	6,65,052
		Total ..	26,29,203

They do not mention any reasons for these excesses.

But these are not all. There are further excesses even over those noted in the work slips, *e.g.*, in the dome. There are some more work slips which are yet to come. In the absence of the works register, we are unable to itemise sub-heads under which further excesses are expected and what such excesses are likely to be. We have, however, made rough estimates and included these in our estimate of probable final outlay on the works.*

52. The Chief Engineer, who told us that he was inspecting these buildings very often, was asked whether he did not notice these excesses and why he did not see that work slips were sent. He replied :—

> "Five work slips were sent to me by the Special Engineer in September 1956 involving an excess of about Rs. 26 lakhs over the sanctioned provision in the corresponding items. I have seen these workslips. They are not yet disposed of. When the Special Engineer anticipated excess during execution, he should have sent the workslips at that stage and not after completion of the work. I believe the Special Engineer has sent these workslips because of the warning in my inspection note of the 7th June 1956. The work must have been in progress easily for five or six months before the workslips were sent. In June 1956, these excesses were not brought to my notice under several sub-heads and the excesses over the total sanctioned estimate were also not brought to my notice."
>
> "After the dressing of the pillars was completed, practically all the pillars are redressed. At that time I warned the Special Engineer that this will involve very heavy cost and that only such work should be done as was absolutely necessary."
>
> "In the absence of a 'C' Register, it is not possible to find out the actual excess expenditure over a particular item. But an experienced engineer who is executing the work can easily find out whether he is exceeding the sanctioned estimate."
>
> "There has been excess expenditure incurred in palmane and dressing works over and above what is provided for in the sanctioned estimate."
>
> "When the proposal for the special type of ceiling material for the Houses of Legislature was placed before the Technical Committee, the extra cost involved was not brought to its notice by the Special Engineer."
>
> "I did not make a report to the Government that the Special Engineer was exceeding the sanctioned provisions in spite of my warnings."

53. We consider that the Chief Engineer has failed in his duty in not reporting these excesses in time to Government.

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* Chapter XIX, page 168, paras 4 and 5.

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(ii) CHECK MEASUREMENTS.

54. The Accounts Code directs that every opportunity must be taken by Upper Subordinates, Assistant Engineers and Divisional Officers to check the accuracy of the detailed measurements. In the case of works executed by contractors, measurements are taken periodically by the subordinates-in-charge, checked by an Assistant Engineer and by the Divisional Officer. The same procedure has to be followed in departmental execution of works also. The object of check measurement is to detect errors in measurement and to prevent fraudulent entries. Check measurements have therefore to be conducted with discretion and method, those items being selected which appear obviously incorrect or which would be most easily susceptible of fraud or which would most seriously affect the total amount of the bill, if inaccurate. But in this Division, no attempt has been made by the Divisional Officer to check the accuracy of measurements. Some Measurement Books show that payments were made on Nominal Rolls without entering even the previous measurements in the Book. The position to-day is that there is no verification of the work paid for. The totals of the Measurement Books will have therefore to be made and verified with the actual work executed. We understand that measurements of stone masonry have been taken by levels; but it is not possible to check this with the measurements as now recorded.

55. The Committee therefore considers that it is absolutely necessary even now to take final measurements to compare them with the aggregates as would be entered in the Register of Works, correctly posted, in order to determine the excesses, which must be substantial the way the work is being executed and accounts are kept. It is also necessary to scrutinize the quantities of cement and steel consumed with those that should have been properly consumed as per specifications.

(*e*) NOMINAL ROLLS.

56. The strength of individual rolls in Sub-Divisions No. 1, 3 and 4 are somewhat too unwieldy for one Supervisor for exercising an effective supervision over the work turned out each day; sometimes as many as 350 to 400 men have been engaged on individual roll. Considerable time must have been taken even in taking attendance of this large number and this naturally would have affected the progress of work. Irregularities were also unavoidable.

57. In a work of this large magnitude executed departmentally proper check over labour and attendance was absolutely necessary. The Chief Engineer, Shri K. S. Gangadhara had instructed the Special Engineer as far back as 1954 that "Token Number" should be given to each workman. This would have enabled identification of each workman, prevention of indiscriminate avoidance of spurious names being inserted, and increase in wages. As usual, the Special Engineer flouted these instructions. Shri Gangadhara has stated:

> "The Special Engineer disregarded my instructions to give check numbers to labourers. I could not take any action against him for the reason already stated."*

The Accountant General has observed that check over attendance was not satisfactory.

58. We found that a few Nominal Rolls had been paid without being passed either by the Divisional Officer or by the Accountant. The Special Engineer admitted this in his evidence that:

> "I see that a few Nominal Rolls have been passed, some without my signature and that of the Accountant."

* Vol. II—W. No. 16, page 68, para 22.

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The scrutiny in the Division Office was evidently superficial.

59 The construction work except that of digging the earth for foundation has been taken up by departmental agency by engaging over three thousand workers of various categories such as masons, carpenters, chiselers, fitters, drivers, carvers, helpers, chavalies, male, female, girl and boy coolies. These workers have been paid at different rates even for the same category of work and without reference to the sanctioned schedule of rates or wages for this Division. In many cases the rates actually paid were higher than the scheduled rates. This has resulted in considerable avoidable extra cost, considering that labour is the largest single item in this work.

60. In this Division, in the absence of work abstract and work register, the Nominal Rolls are the only documents on which rates of execution were worked out. Actually however, rates worked out on these rolls for one and the same item of work differs widely in the same Sub-Division and also from Sub-Division to Sub-Division Statement II.* No one appears to have reviewed this in spite of the Accountant General pointing it even in his first inspection. His remarks are :—

> "The working rates struck on the rolls are not based on the cost of materials used but on estimated value and all charges incidental to construction are not taken into account while working out the rates."

61. Materials are issued in excess of quantities required according to the proportion noted and according to the turnover.† The Committee considers that this is a very serious matter. It might well be that the materials shown as excess issues may have moved elsewhere. *The Committee considers that a thorough audit of these rolls should be made and in cases of excess issues to works, the value of excess materials surcharged.*

62. In the overtime rolls of No. 4 Sub-Division, the work turned out is not noted and simply a remark is made that " the progress obtained is noted in the regular rolls ". This means the Supervisor or the Sub-Divisional Officer has not worked out the actual work done and the excess expenditure involved and its effect on unit cost.

63. On many rolls, the cost worked out is incorrect, *e.g.*, cost of size stones is taken at Rs. 58 only when the purchase price was Rs. 70 per 100 c.ft. and that of steel is taken at Rs. 21 per cwt. when the price of steel was Rs. 28 to Rs. 31-8-0 per cwt.‡ that of the slabs is taken at Re. 1-8-0 per c.ft. in spite of the fact that rates up to Re. 1-11-6 have been paid.

64. The rates as worked out in the rolls do not include cost of centering and scaffolding materials. These materials have been charged off to sub-heads of works directly. Again when the same materials were utilized by another Supervisor, the cost has again been charged to the sub-head resulting in excess debit.

65. The Committee is of the view that a strict scrutiny over the labour employed should have been exercised with a view to keep the cost within the data rates and to avoid waste.

(*f*) Contractor's Ledger.

66. A personal account for every contractor should be opened in the ledger whether or not a formal contract has been executed. It is, however, not necessary to open such a ledger account if the work or supply entrusted to a contractor is not important and no payment

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* Annexure XXI, Vol. III.

† Annexures XXII and XXIII, Vol. III.

‡ For the 'C' Register, the Special Engineer has given the rate of Rs. 28 per cwt. of steel.

is made to him except on a first and final bill on completion of the work. This ledger had not been maintained in this Division though the Accountant General had pointed out this omission in the first inspection report of October 1953. The omission was pointed out again in the inspection report of October 1954. It was stated that there were a large number of cases where arrears were held in the bills and some articles were sold to them on credit now and then and that the value of such articles was held in the miscellaneous advance account only. It was pointed out that they must be brought on to the contractor's ledger as required by para 429 of the Code.

67. Although a contractor's ledger is now in use, it is incomplete. It contains the accounts of only three contractors, *viz.*, Messrs. Kempiah Sons & Co., Messrs. National Cement Flooring Tile Works and Messrs. Blue Star Engineering Co. The accounts of piece work and task work contractors are not kept in the ledger although a number of part rate payments and payments of cash advances were being made to them. This will certainly lead to complications in settling their accounts.

68. The ledgers in respect of the three contractors also are incomplete. Secured advances and cash advances are not posted and issue of materials are incorrectly posted. A separate account of Messrs. Kempiah Sons & Co., has now been opened as wrong entries were made in the original account. This is also incomplete. Postings to the end of March 1955 only are made therein. In the case of Messrs. National Cement Flooring Tile Works, the cost of materials issued on credits has not been included in the account.

69. The contractor's ledger plays a very important role in the Public Works accounts and must be correctly posted so as not to lose sight of any recoveries to be made.

(*g*) Transfer Entry Register.

70. Para 510 of the Public Works Account Code requires that a Transfer Entry Book in the required form should be maintained and Para 511 directs that no transfer should be made except on the orders of the Divisional Officer. But no order book or file of orders of the Special Engineer regarding transfers has been maintained in the Vidhana Soudha Division. Certain transfers are made, reversed and effected partially at a later stage without any explanation. Such putting up of transfer entries has only led to *plus* and *minus* entries in accounts without final settlement. Sample instances are noted below :—

71. *Transfer Entry No. 7 of August* 1953 reserves the acceptance of debit of cost of tools and plant transferred to this Division for the supply of two concrete mixers and four lorry chassis by the Controller, Public Works Department, Central Stores, to the extent of Rs. 78,441. This amount was first debited to the building estimate and later on transferred to " 81. Capital Account—Outside the Revenue Account, Tools and Plant ".

72. *Transfer Entry No. 23 of December* 1955 has been put up to transfer the cost of minor Tools and Plant valued at Rs. 3,317-8-6 being the cost of hammers, mortar pans, metallic tapes, etc., from the works account to " 81. Capital Account—Outside the Revenue Account " for which there is neither sanctioned estimate nor competent approval.

73. The effect of such transfer entries is to reduce the outlay on Vidhana Soudha works.

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74.—

		Rs.	a.	p.
Transfer Entry No. 22 for November 1955	..	4,94,919	1	0
Transfer Entry No. 21 for December 1955	..	6,55,517	3	6
	(A)	11,50,436	4	6
Transfer Entry No. 10 for January 1956	..	8,28,174	2	8
Transfer Entry No. 25	..	6,16,723	3	6
	(B)	14,44,897	6	2
Transfer Entry No. 23 of September 1956	(C)	25,95,333	10	8

(A) and (B) Represent the value of stock materials stated to have been consumed during 1953-54 and 1954-55 by works and debited to materials at site account in the first instance and then adjusted to proper Head of Account.

(C) Represents the reversal of the adjustment of (A) and (B). There is no order of the Special Engineer on record for effecting these transfer entries and therefore, the whole adjustment effected during November, December 1955 and January 1956, and its reversal during September 1956, had been put up without correct perspective. This requires the explanation of the concerned official.

75. Transfer Entry No. 22 of May 1956—Rs. 5,34,129 represents the cost of heavy equipment transferred to this Division during October 1955. Instead of accepting the debit then and there, the acceptance was delayed till the Chief Engineer urged for it. Instead of accepting the whole amount as required by rules, only Rs. 17,352 was accepted rejecting the balance which represent the value of the Tools and Plant. These vehicles went out of order after working hard and long as per the D. O. letter of the Special Engineer addressed to the Executive Engineer, Bangalore Division, in No. 2650—V.S. dated 20th July 1956, wherein he states that these vehicles were not fit for work due to wearing out of important parts requiring heavy repairs. When the Division took credit for the amount earned by these tractors and scrapers, to have kept the cost of these outside the works account is not regular.

76. For one and the same nature of transactions, two heads of account are credited as in the following cases of sale of earth :—

	Rs.	a.	p.
Transfer Entry No. 13 of January 1956 to repairs and carriages	4,392	8	0
Transfer Entry No. 6 of March (F1) to repairs and carriages	60,745	0	0
Transfer Entry No. 11 of November 1955 to materials at site account	3,770	0	0
Transfer Entry No. 14 of November 1955 to materials at site account	26,240	0	0

None of these credits is correctly given as neither the materials at site account was debited with the cost of digging out the earth, nor the repairs and carriage of tools and plant estimate has made provision for such credits.

(*h*) Purchases.

77. Para 25 (ii) of the Public Works Account Code states "In addition to the usual abstract, all estimates should have attached thereto, a list of all local and foreign materials required for the execution of the work giving particulars as to the materials available in the stores and required to be freshly purchased". This was not done, and some of the serious irregularities are in the purchases. Although rules are very definite as to the class of materials to be

purchased through the Stores Purchase Committee and as to other purchases they are to be made either by calling for tenders or quotations, these rules have been persistently flouted. The Stores Purchase Committee has almost always been short circuited; and the Special Engineer has always found reasons to place orders direct in spite of repeated instructions both from the Chief Engineer and from the Government. In almost every case, he has pleaded "Urgency" but it was invariably found that no such urgency existed. If there had been proper planning, the purchases could have been made according to rules in the cheapest and best market and properly phased. In many instances, there have been no sanctions and in a few, there was also no provision in the sanctioned estimate for the purchases. In spite of these, orders have been placed and commitments entered into and sanctions sought for thereafter. Perhaps the Superintending Engineer, when the Special Engineer was only an Executive Engineer, and the Chief Engineer felt helpless as the Special Engineer was in direct contact with the Chief Minister.

78. The Estimates of quantities and materials required for the work, have not been generally prepared; and where they were prepared they have been done very carelessly. In several instances the revised figures of purchases have no relation to the original estimate. Consequently, in several cases, quotations have been called for the same material more than once.

79. The practice in this Division has been, to begin with, to make purchases without tenders or quotations and then call for tenders or quotations and either reject them and continue to purchase as before, or distribute the tender amongst the several persons, some of whom may not have even tendered at all. Then on the plea of non-supply there have been cases where higher rates have been paid to these very people and quotations called for again. The same procedure was repeated even in the case of the second quotation and so on, the story repeats. The whole procedure adopted makes the Committee feel that there must have been a lot of nepotism if not malpractices in making of purchases. In any event, the financial interests of Government have not been safeguarded.

80. The types of irregularities are broadly classified as under:

1. *Purchase made without reference to the Stores Purchase Committee.*—
   Purchase of aluminium sheets.
   Purchase of holoplast.
   Purchase of rubber cushions and leather pieces.
   Purchase of steel racks.
   Purchase of wire nails.
   Purchase of manilla rope and ironite.
2. *Without calling for tenders or quotations.*—
   Etching of plate glass.
   Fabrication and erection of temporary trusses and purlins for the main dome.
3. *Tenders called for and orders not given to lowest Tender but split up amongst tenderers.*—
   (*a*) *Supplies*:
      Bricks.
      Casurina poles.
      Stones.
   (*b*) *Works*:
      Jungle wood, including planks and sleepers.
      Joinery work—doors and windows.
      Steel trusses.
      Fixing cement asbestos sheets.
4. *Higher rates given or recommended over tendered rate.*—
   Joinery work.
   Stones.
   Fabricating steel trusses.

5. *Orders given to persons other than tenderers.—*
   Purchase of jungle wood and casurina poles, bricks, joinery work, steel trusses.
6. *Enhanced rates given subsequently on quotations or tenders owing to proper quantity not specified or specifications being incorrect.—*
   (i) Covering to Duct.
   (ii) Casurina poles.
   (iii) Bricks.
   (iv) Stones.
   (v) Lifts.
7. *Placing of orders without sanction or provision in the estimate or appropriation.—*
   (i) Lifts.
   (ii) Electrical materials.

RECOMMENDATIONS.

81. Considering that the materials at site accounts are

(i) not properly written up and checked and adjustments to works are still not made,

(ii) that there are several mistakes in the Store account and large discrepancies have been observed between the balances as per stores and as per accounts between counted balances,

(iii) that several nominal rolls indicate that more material such as cement, etc., are shown to have been used up than is warranted by the specifications,

(iv) that the works registers are not written up properly yet, and in the present position, the total quantities cannot be worked out and rates at which works have been executed cannot be verified and compared with estimates and abnormalities followed up and

(v) that no check measurements of the works have been taken and such a measurement is necessary to verify whether the quantities as per 'C' registers, *i.e.*, those billed and paid for agree with the aggregate overall meaurements so taken,

it is absolutely necessary that an experienced staff under a competent Accounts Officer should be deputed to get the accounts written up properly, audit the accounts, scrutinise the store account, check up the issues in the materials at site account, compare rates and check issues as they should be as per specifications with actuals and take further action regarding excess issue and check the overall measurements as per actuals with the quantities paid for.

82. It is also necessary to associate with the Accounts Officer, an experienced Engineer Officer in this work.

CHAPTER XIV.

MISCELLANEOUS ADVANCES—IRREGULARITIES OF.

The total amount outstanding under 'Miscellaneous Advances' at the end of September 1956, is Rs. 3,16,390-13-6.

2. These include advances to—

(a) Sub-Divisional Officers for making advances to Chiselers and for other purposes (paragraphs 3 to 18).
(b) Advances to tendered contractors (paragraphs 19 to 23).
(c) Advances to chiseler contractors (paragraphs 24 to 40).
(d) Debits made to other Departments and institutions for the price of earth claimed by the Division from them and also for price of materials supplied (paragraph 41), and
(e) Debits to Supevisors for materials issued on sale indents for contractor whose name was not disclosed at the time (paragraph 42).

(a) Cash Advances to Sub-Divisional Officers.

3. Statement No. (1)* shows the amount of cash advances to Sub-Divisional Officers Nos. 6, 2, and 4 from January 1955 to August 1956, the amounts cleared by them and the large outstanding balances against them every month. Although these Sub-Divisional Officers held with them undisbursed amounts, no cash book was maintained by them. While drawing fresh advances, some of them did not account for the balances held by them. In the case of Sub-Divisional Officer No. 6, the balance held by him at the end of June 1955 was Rs. 23,158-11-0. The account rendered by him for July, August and September 1955, totalled only Rs. 12,693-1-0. However, during these three months, further advances of Rs. 31,808 were made to him, thus bringing the total outstanding against him to Rs. 42,273-10-0† at the end of September 1955. The statement shows that further advances had also no relation to the amounts actually required for payment.

4. The Special Engineer, to whom a copy of the above statement was supplied, sent a statement on 26th October 1956, that these outstanding balances were due to the fact that in calendar months ending with Saturday, the entire amounts given for disbursement to labourers appeared as cash balances, as the paid nominal rolls were received and charged in the cash book in the subsequent month, that some delays in the return of the paid nominal rolls or the charging of in the cash book of the paid nominal rolls have been the causes that have contributed to large sums appearing as cash balances, and that there was actually no cash balance with these officers or that the cash balances were small. He added that one cash chest was purchased for use of the Executive Engineer No. 4, whose cash was necessarily heavy. He stated that cash chests were not provided to other Sub-Divisional Officers *as a measure of economy as all the officers were responsible gazetted officers.* This statement creates an impression that all these amounts were advances for payments for nominal rolls. That is not so. They were for other purposes as well. It was necessary to have separate accounts of each kind of advance to keep the necessary check on the balances with these Officers.

5. In his explanation to the Chief Engineer sent about the same time, the Special Engineer stated that the advances to the Sub-Divisional Officer No. 6, were also for making advances to task workers. This Sub-Divisional Officer has not maintained a cash book. He received advances for recruitment of chiselers, for making advances to the chiseler-task workers and for payment of nominal

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* Annexure XXIV—(i), Vol. III.

† The book maintained in the Division, however, shows this as Rs. 40,773-6-0.

rolls. He maintained a book of acknowledgment of task workers for advances received and a ledger in which these advances were posted against each individual worker. The third record relied on by him was the task work statements submitted by him to the Divisional Office from time to time on which he received the balance of payments by cheques.

6. A record of receipts and payments was prepared by this Sub-Divisional Officer in an exercise book about a month back. There is another book in which cheques received by him from the Division Office for advances to chiselers and for payment of nominal rolls are entered. This book also appears to have been written up recently, though he does not wish to admit it.

7. According to the receipts and payments book, he had large balances with him. His explanation is that he used to keep cash with him to meet the demands of chiselers to whom he had to make payments in addition to weekly payments, and that he had also to make weekly advances to smithy workers whose nominal roll was paid once a fortnight. He further stated that these intermediate payments to chiselers were included by him in their weekly payments and entered as such in the book of acknowledgments. No record of such interim advances was kept by him. His statement that the cash with him did not exceed Rs. 500, is not borne out by the account prepared by him. It is difficult to accept the story of interim advances to chiselers and smithy workers in the absence of any record. The Sub-Divisional Officer would not have made any payment without an acknowledgment.

8. Some time in February 1955, the Sub-Divisional Officer received Rs. 2,500 as an advance for expenses of recruitment of chiselers He returned to Bangalore on 26th February 1955, with 47 chiselers. On 1st March 1955, he asked for a further sum of Rs. 1,500 for payment of advances to these chiselers. The Divisional Accountant objected on the ground that he had not rendered an account of the earlier amount of Rs. 2,500. The Special Engineer, however, ordered payment of the amount.

9. Out of this amount of Rs. 1,500, he paid Rs. 511 to chiselers on 1st March 1955, and Rs. 578 on 5th March 1955, and the balance of Rs. 411 remained with him. He says that he had rendered an account of Rs. 2,500 some days later. No record was shown by him to the Committee to support this statement. On 5th March 1955, which was a pay day, he again received Rs. 300 from the Division Office and disbursed only Rs. 67.

10. In his evidence, he states that on 7th August 1956, he returned to the Division Office Rs. 701-3-0 and retained with him Rs. 197-3-0. He had no explanation to offer for retaining with him these sums of Rs. 411 and Rs. 197-3-0. The amounts were not returned by him to the Division Office till he gave evidence on 4th December 1956.*

11. In the task work statement dated 3rd September 1955, the work done by chiseler V. Sankalachari is shown as Rs. 618-12-0; deducting this amount as advances paid to him, the balance due to him is shown as nil. As a matter of fact, in the ledger account of this worker at page 64, the total amount of advances till that date was only Rs. 551-7-0. The Sub-Divisional Officer stated that he will examine his records and file a statement reconciling this discrepancy. But he has not done so. The statement shows that the Sub-Divisional Officer received from the Division Office Rs. 618-12-0 as advances paid to this worker, though the advances paid were only Rs. 551-7-0.

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* Paras 11, 14, 18 and 20, Witness No. 20, Vol. II, pp. 83 and 84.

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12. The evidence of this witness and his records disclose a very serious state of affairs. It is not a case of mere irregularities in the maintenance of accounts. It will be necessary to examine the other transactions of this officer very closely to determine that he has really spent for the Vidhana Soudha works, the money alleged to have been spent by him and that he has not retained other Government money, and the period, if any, for which he has retained them.

13. The explanation of the Special Engineer that there was virtually no cash balance in the possession of this Sub-Divisional Officer is meaningless. As usual, this statement must have been prepared for him either by the Sub-Divisional Officer or by some other Officer, and he has simply passed it on to the Chief Engineer without scrutiny. He does not appear to have examined the records of this Sub-Divisional Officer at any time. Otherwise, he would have noticed that the Sub-Divisional Officer had retained with him Government money for long periods. It was necessary for him to have kept a proper check on the disbursements by the Sub-Divisional Officers and to see that no cash remained with them.

14. These advances were made without Government sanction, and in spite of refusal of permission by the Chief Engineer. These advances were made without obtaining from the Sub-Divisional Officers at least a statement of advances required for individual Task workers, either on the basis of the number of working days or on the basis of work done.

15. We have also examined the accounts maintained by Sub-Divisional Officer No. 4. Although these accounts are not in the prescribed form, they clearly give all the information required. We have also examined the accounts maintained by Sub-Divisional Officer No. 2. Although the accounts are not as clear and regular as those of Sub-Division No. 4, they give a pretty clear idea of the receipts and disbursements from time to time.

16. It is noticed that cash advances were made to Sub-Divisional Officer No. 2 for purchasing coal from Government Industrial Concerns. This was irregular when the payments could have been made directly by cheques. Advances were also made for other petty purchases when the Special Engineer had an imprest with him.

17. We also noticed considerable delays in the preparation of task work statements and their payments and adjustments in the Division Office. The Division Officer did not at any time review the records of the Sub-Divisional Officers and the balances outstanding against them.

18. While making these advances, the Special Engineer should have insisted on these Sub-Divisional Officers maintaining regular cash books and should have given them cash chests. He should have kept a proper check over disbursements, balances, and misuse of Government funds.

(*b*) Advances to Tendered Contractors.

19. Such advances were made to the following three contractors :

	Rs.	a.	p.
(1) Messrs. Boriah Basaviah & Sons	17,887	0	0
(2) Messrs. Kempiah Sons & Co.—			
(a)	15,082	13	0
(b) outstanding since 28th May 1955 ..	16,871	0	0
(3) Messrs. Steel Construction Co.—			
Outstanding since June to August 1955 ..	26,068	0	0

20. Messrs. Boriah Basaviah & Sons are the flooring contractors. Advances were made to the firms against materials from April 1955,

but they were not wholly recouped from the next bills. Amounts were outstanding in every month. The balance at the end of June 1956 was Rs. 10,347-4-0. It was Rs. 17,886-12-0 at the end of July 1956. There were no credits during that month. The balance was reduced to Rs. 4,843-8-0 at the end of September 1956.

21. Messrs. Kempiah Sons & Co. are the contractors of the Accountant General's Office Building. Advances to this firm have been considered in Chapter XVII.

22. The advances to Steel Construction Co., are said to have been made against work done. If these were part payments, they should not have been debited to miscellaneous advances.

23. Advances to contractors are not permissible except as price of materials supplied from stores or as advances against materials brought by the contractor at site. They have to be deducted from the next bill of the contractor. By making advances as he did, the Special Engineer allowed the contractors to use Government funds for their own use. This is highly objectionable.

(*c*) Advances and Payments to Chiseler-Contractors.

24. On the ground that departmental execution of the work would effect considerable savings, the Special Engineer proposed to do departmentally the work of constructing the pillars with flower designs in base and capital and groove cutting, by importing chiselers and transporting the stones on departmental vehicles. It was stated that the piece-work contractors to whom the work was given, made very poor progress, finding the work of dressing heavy stone blocks very costly. He therefore proposed to recruit from outside 650 chiselers on conditions of paying them their travelling expenses, wages of the days of journey and also advances. By Order No. P.W. 12290-292—B. 6-53-9, dated 20th February 1954, the Government sanctioned an advance of Rs. 1,00,000 for the purpose of recruiting chiselers by an Assistant Engineer. It was directed that the advance may be drawn in instalments as and when needed to the extent of labour proposed to be recruited from time to time, that the procedure laid down in paras 553 and 554 of the Mysore Public Works Accounts Code should be strictly adhered to in respect of adjustment of advances paid to each labourer or the Assistant Engineer in charge, and that personal responsibility will be enforced in the cases of advances proving irrecoverable. It will thus be clear that the proposal to pay travelling expenses and wages for the days of journey was turned down.

25. On 25th February 1954, the Special Engineer sought modification of the Government Order, to allow him to pay railway fare and wages of days of journey. No order of Government was passed.

26. On 31st January 1955, Sri T. V. K. Chari, an Engineer and piece-work contractor in the Vidhana Soudha Division, requested for an advance of Rs. 5,000 to enable him to recruit 550 chiselers for his work. He proposed to repay the advance in instalments by deduction from his bills.

27. In recommending this advance of Rs. 5,000 to enable the contractor to recruit chiselers with a view to speed up the work, the Special Engineer relied on para 170 of the Code. He also stated that he was making separate arrangement to recruit labour by departmental agency. The last para of this letter runs thus :—

> "The recruited chiselers will be paid the railway fare from their place to Bangalore and daily allowance as per rules during transit, the cost being borne by Government as per G. O. No. P.W. 12290-292—B. 6-53-9, dated 19—20th February 1954, permitting recruitment of chiselers at Government cost."

In recommending to Government payment of advance to Sri Chari, the Chief Engineer stated that the advance will be made on the

personal responsibility of the Special Engineer as per para 553 (*d*) of the Mysore Public Works Account Code. Before the sanction of the Government was obtained, the Special Engineer paid Rs. 5,000 to Sri Chari.

28. By Order dated 7—10th June 1956, the Government sanctioned the advance of Rs. 5,000 to Mr. Chari subject to its recovery from his bills and approved of the payment of advance in anticipation of sanction. Sri Chari repaid this advance from his bills.

29. Sri Chari recruited only 81 chiselers. On 19th March 1955, the Special Engineer moved the Chief Engineer for payment of second class travelling expenses and the wages of his chiselers. The Chief Engineer did not accept this proposal by his letter dated 11th June 1955.

30. On 7th June 1955, the Special Engineer stated that recruitment of chiselers by Sri Chari should be treated as if it was done by Government agency and that the Government should therefore meet the expenditure. On this ground, he sought sanction to pay Rs. 247-12-0 for the second class railway fare to Sri Chari and Rs. 1,748-10-0 as travelling expenses and wages of his chiselers. On 22nd June 1955, the Special Engineer wrote to the Chief Engineer that the piece-workers including Sri Chari were entrusted with recruitment work on the understanding that the charges of recruitment would be borne by Government as it would not pay the piece-worker to do the work incurring the expenditure.*

31. The Chief Engineer fully endorsed the proposal and recommended the sanction of payment of the amount. He added that this amount is debitable to the allotment of Rs. 1,00,000 provided in the aforesaid Government Order dated 20th February 1954.

32. In his letter (V.S. 639, dated 6th February 1956) to Government, the Special Engineer stated that Sri Chari was induced by him on condition that in addition to refundable advance he would be paid his journey expenses as well as those of the chiselers recruited by him.

33. The proposal of the Special Engineer to deem the recruitment of the chiselers by Sri Chari for his own contract work, as recruitment for departmental work and to pay Rs. 1,996-6-0 is wholly unjustified. It was not the duty of the Special Engineer to provide chiselers to the contractor. He had to recruit them for his contract work. It was wrong to say that it was not paying to the contractor to import chiselers at his own cost No material has been placed before the Government by the Special Engineer in support of this statement. If it was true, the contractor would have demanded those charges when he had asked for the advance. He did not do so. The alleged understanding or inducement was not brought to the notice of the Government and its sanction was not sought to pay the travelling expenses to the contractor and his chiselers. When pointedly asked, the Special Engineer had no reasons to give.† By his letter dated 12th March 1956, the Secretary, Public Works Department, pointedly asked the Special Engineer whether the Department had committed itself in writing to these piece-workers and if so, on what authority it was done. The reply of the Special Engineer dated 21st July 1956, is silent on the point. He has evaded the several queries of the Secretary. The alleged reasons appear to be afterthoughts to bolster up the claim.

34. Relying on the representation of the Special Engineer that execution of the work departmentally was decidedly cheaper, the Government, by order dated 20th February 1954, sanctioned an advance to chiselers to be recruited from outside for amani work.

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* Vol. II—Witness 2—pages 12 and 13, paras 58 to 61.

† Vol. II—Witness 2—page 13, paras 60-62.

The Chief Engineer should not have recommended acceptance of the proposal of the Special Engineer to pay Sri Chari. His proposal to debit the expenses against the allotment of Rs. 1,00,000 is not warranted by the terms of the Order.

35. The precedents relied on by the Special Engineer are no precedents. Of his own motion, he paid Rs. 574-8-0 in February 1955 and Rs. 464 in April 1955 to Sri P. Rajappa, contractor, who recruited chiselers for his own work. These payments were made without a competent sanction. Even after payments, he has not even moved for sanction of Government. As a witness, he has admitted that there was no rule justifying the payment.*

36. In his letter dated 11th February 1955 to the Chief Engineer, requesting approval to the payment of railway fare and wages of two men of Sri P. Rajappa, the Special Engineer stated that he had paid Rs. 574-8-0 to him as railway fare and wages for 33 chiselers. A copy of this letter was enclosed by the Chief Engineer in his letter dated 21st October 1955 to Government on 17th November 1955. The Government asked the Chief Engineer to state whether sanction of Government was obtained for making this payment. The reply of the Special Engineer dated 24th November 1955, that he made the payments in his discretion was communicated to Government. On 21st January 1956, the Government asked the Special Engineer to explain his conduct. His explanation is dated 6th February 1956. He stated that it was decided to recruit labour at Government cost and hand them over to piece-workers, that payments were accordingly made to Sri Rajappa and that Sri Chari was similarly entitled to the cost of recruitment. As a witness, the Special Engineer stated that he had taken the decision in consultation with his Assistant Engineers in the beginning of January 1956. He had to admit that he had no power under any rule or any authority from Government to do this. The Special Engineer had made a second payment of Rs. 464 in April 1955. The payment is Rs. 1,038-8-0.

37. The Special Engineer paid to Sri Munirathnam an advance of Rs. 3,000 from the sanctioned amount of Rs. 1,00,000, which was meant for recruitment of chiselers for departmental work. This payment was made not for the cost of recruitment but only as an advance. Sanction of Government was not obtained, though he was not authorized to make the advance without such sanction. He did not even care to apply to Government for it.† Though the Special Engineer has stated to have promised Sri Munirathnam the cost of recruitment of chiselers for his own work, he has not made any demand. The Special Engineer stated that if a demand had been made, he would have applied to Government for sanction.‡ Sri Munirathnam discontinued work in about June 1954.§ Though he has been pressing for settlement of his claim for the work done, it is not yet settled and no steps are taken to recover the advance from him.

38. An additional rate of ten per cent has been paid to the piece-work chiseling contractors for expeditious execution of the work by recruiting a large number of chiselers.¶

39. In the said letter, he has stated that the rates paid to the piece-work contractors and for *amani* work are the same. The Special Engineer has admitted that he has no personal knowledge and that he had merely passed on to Government, the letter prepared by his Assistant. ||

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* Vol. II—Witness 2—pages 13 and 14, para 64.
† Vol. II—Witness 2—page 14, para 65.
‡ Para 65, *ibid.*
§ Para 65, *ibid.*
¶ Para 67, *ibid*, and *vide* letter No. 4222—V. S., dated 17th October 1956 to Government.
|| Para 70, *ibid.*

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40. The Committee is of the view that no payment need be made to Sri Chari and is further of the view that the payments made to Sri Rajappa and Sri Munirathnam should be recovered from the Special Engineer, if they are not recoverable from these persons after efforts are made to recover from them. Otherwise, such payments would be doling out Government money to the favoured contractors of the Special Engineer.

(*d*) Debits to other Departments.

41. The claim for the price of earth supplied to other Departments and institutions appears to be in dispute. Appropriate orders of Government should have been obtained and these adjustments should have been made long ago.

(*e*) Other Advances.

42. The price of some material issued from stock on a sale indent to Shri Somasekhar, Supervisor, for a contractor, was debited to him on the ground that the Contractor's name was not stated in the indent. The material should not have been issued without the name of the contractor or, at any rate, the name should have been ascertained immediately thereafter and necessary debit made to him after adding 10 per cent. It is said that the deduction has been made from the bill of the contractor and it is kept in deposit. The full amount due has not been recovered and 10 per cent towards centage has also *not* been recovered. This should be done. The adjustments should have been made when the amount was deducted.

43. These irregular transactions lead to confusion in accounts and addition of work to the accounts staff.

CHAPTER XV.

MAJOR IRREGULAR TRANSACTIONS.

(*a*) Purchase of 12 second-hand Military Vehicles.

Purchase of these second-hand vehicles from Shri Devarao Shivaram Ubhayakar is a criminal waste of public funds. The sole idea that obsessed everyone connected with this transaction seems to be to purchase them regardless of their need, their cost, their condition, or their performance. Though they were not fit to be purchased, these unfit vehicles were knowingly accepted by the Special Engineer and the Chief Engineer, and 90 per cent of the price was paid. Although the seller had committed breaches of the terms of the sale, and the Division had to receive damages and the sums spent by the Division on repairs, the balance of 10 per cent was paid without deducting any of these sums.

2. On 30th October 1953, the Stores Purchase Committee had issued a notification calling for tenders for 36 trucks for the Public Works Department. Although the Chief Engineer considered the demand of the Special Engineer for 24 trucks out of these as excessive, he allotted them to the Vidhana Soudha Division. On 13th November 1953, the Special Engineer had definitely stated that *he had five trucks on road and that his additional requirement was only 24 trucks.* It appears that order was placed for 26 Desoto chassis and 10 Dodge chassis. 24 Desoto chassis were allotted to Vidhana Soudha Division. The average consumption of petrol was 10 miles a gallon. These were received and temporary registration certificates were issued on 11th December 1953. In November 1953, the Special Engineer had issued a notification for recruitment of 25 drivers and 25 cleaners.

3. On 4th January 1954, the Special Engineer sought approval to his proposal to give contract for building of 4 chassis at Rs. 850 each and the remaining at Rs. 1,200 each.. On 8th January 1954, he submitted a modified proposal that four chassis would be got built by the lowest tenderer at Rs. 850 each and the remaining work would be executed departmentally on the ground that the other tenderers were not willing to execute the work at the lowest rate.

4. The requirement of the Vidhana Soudha Division was at the most only 29 vehicles including these new 24 vehicles. There is no document to show that the load to be handled in Vidhana Soudha required any more vehicles, and that there was a demand by the Special Engineer for additional vehicles. *On the contrary, the log books show that he had not enough work even for the five vehicles he had.*

5. Without receiving any indent from the Vidhana Soudha Division for any vehicle, the Stores Purchase Committee by its letter No. S.P.C. 47893, dated 18th December 1953, asked Sri Devarao Shivram Ubhayakar to produce before the Special Engineer for trial purposes, one truck out of the 20 military trucks offered by him to the Stores Purchase Committee, informing him that on receipt of the report from the Special Engineer as to its performance, the matter of placing an order for the vehicles would be considered. It appears that the said Ubhayakar had offered to sell 20 vehicles to the Stores Purchase Committee against enquiry No. 12046 for 30 Diesel chassis on an indent of the Special Chief Engineer for Bhadra Reservoir Works. The Special Engineer was not an automobile Engineer and should have declined to do this job. In fact, he did not examine the vehicle himself, but asked one of his Assistant Engineers to do it. The Officer who was presumably a Civil Engineer merely ascertained mileage per gallon with load and without load. This is not an adequate examination of a second-hand vehicle before purchase.

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6. On 8th January 1954, the Special Engineer made a report * to the Chief Engineer about the performance of the vehicle. In the absence of its engine or chassis number, it is not possible to identify this vehicle with any one of the 12 trucks purchased later for the Division. *In this letter, he proposed that 12 trucks of this type may be purchased for the Division* and that 8 four tons Dodge chassis received from the Police Department may be transferred to other Divisions for use. These 8 Dodge vehicles were given to the Division to be replaced when the 24 Desoto vehicles were ready for the road. *He did not state that 24 Desoto chassis were received by him and bodies were being built.* It will thus be clear that these 12 vehicles could not be purchased without returning 12 out of the 24 vehicles already purchased and received. This was not possible. It is to be noted that the Special Engineer did not want these 12 vehicles in addition to the fleet of 29 already allotted to him. On 11th January 1954, he wrote a letter in continuation stating that the vehicles were said to be brand new and that the firm was prepared to give the usual guarantee offered by other firms. On 14th January 1954, the Chief Engineer requested the Stores Purchase Committee to purchase these 12 vehicles by cancelling the order of 12 Desoto vehicles. This was extra-ordinary as the contract was already performed and the vehicles were received.

7. In the office note of the Chief Engineer's Office dated 25th January 1954, *it is stated that the Special Engineer seemed to have represented to the Chief Minister about the urgent need for 5-7 ton lorries for his works,* that it was not possible to purchase these from Ubhayakar by cancelling the order placed with the supplier of Desoto vehicles, that if it was decided to purchase them, a report will have to be submitted to Government because they were second-hand vehicles and that the money could be found from the allotment sanctioned by Government on 3rd December 1953 for the purchase of 30 new diesel lorries. *It is also stated that the Assistant Secretary, Public Works Department and the Special Engineer, Vidhana Soudha Division, had phoned for immediate action.*

8. In his letter No. 9970 dated 29th January 1954 to Government, the Chief Engineer stated :

> " As the military trucks with Sri Devarao Shivaram Ubhayakar have been tested and found good, as they are ready for use with steel cabins and steel reinforced wooden bodies and as they cost only Rs. 13,825 each as against the cost of Rs. 14,038-8-0 per mere chassis to be supplied by Messrs. The Premier Automobiles, *I request that sanction of Government to purchase 12 trucks directly without reference to Stores Purchase Committee, may kindly be communicated early, as they are urgently required for Vidhana Soudha Works."*†
>
> (*Italics ours*).

As already pointed out, the Vidhana Soudha Division had 29 vehicles and there was no demand for any additional vehicle. In this letter, it is also stated :

> " But the Special Engineer in charge of the Vidhana Soudha works finds that Military trucks of 5-7 ton capacity would be more useful and economical ..... He has suggested that the Military Trucks with Sri Devarao Shivaram Ubhayakar which are available for purchase at Rs. 13,825 each could be taken over with advantage ".

The letter of the Special Engineer dated 8th January 1954 ‡ which was relied on, does not support these statements. Though only petrol performance of only one vehicle was tested, the Chief Engineer suggested that all the vehicles were tested and found good. The Chief Engineer further stated that the purchase of *these* 12 *heavy*

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* Volume III, Annexure No. XXIV—(ii).
† Volume III, Annexure XXV.
‡ Volume III, Annexure No. XXIV—(ii).

petrol lorries against the sanction for purchase of 30 diesel lorries for the general use of the Department was not possible without adversely affecting the progress of works in other Divisions.

9. Receipt of letter dated 2nd February 1954 * from Ubhayakar to the Chief Engineer, stating the terms of offer, was registered in his office as No. 8409—S.P. dated 12th February 1954. It bears the initials of the Chief Engineer dated 5th February 1954.

10. On 13th February 1954, the Special Engineer wrote a D. O. to the Chief Engineer † *requesting him to address the Government for expeditious sanction to the purchase of* 12 *vehicles from Ubhayakar* " to enable him to secure satisfactory progress which was seriously handicapped for want of transport facility." These statements about his need are absolutely incorrect. *He had more vehicles than he had use for* ‡ On 4th February 1954, he had written to the Special Chief Engineer, Bhadra Reservoir Project that 8 trucks were available to be spared from his Division of which three were already sent to the Executive Engineer, Water Supply Division. When a request was made for these five vehicles for Bhadra Reservoir, the Chief Engineer turned it down on the ground that they were more urgently required for the Chitaldrug Division. It is thus clear that Vidhana Soudha Division had no work for at least 8 vehicles out of 29.

11. On 11th February 1954, the Chief Minister passed the following order on the letter of the Chief Engineer dated 29th January 1954.§

> " Twelve vehicles may be purchased through Stores Purchase Committee. Delay may be avoided since they are required for expeditious execution of Vidhana Soudha Building ".

Accordingly, Government Order dated 17th February 1954 was issued for the purchase of 12 trucks, 5-7 ton capacity, through the Stores Purchase Committee. The Stores Purchase Committee was directed by a separate letter to arrange the purchase without delay, as the trucks were required for expeditious execution of Vidhana Soudha works.

12. On receipt of this Order, the Chief Engineer wrote to the Secretary, Stores Purchase Committee as under :

> " As the trucks are urgently required for expeditious execution of Vidhana Soudha works, I request you kindly to place orders immediately with Sri Devarao Shivaram Ubhayakar, Bangalore, based on his quotation submitted against enquiry No. 12046, for 30 diesel chassis for this Department. Necessary indent in the prescribed form is enclosed ".

Ubhayakar's name is stated in the indent as the particular firm dealing with or manufacturing the trucks. This letter dated 17th February 1954 was despatched the following day.

13. On 18th February 1954, the tender notification ¶ was sent for publication in the *Mysore Gazette*. The closing date was 27th February 1954. From this notification the words 'BRAND NEW MILITARY' were ordered to be deleted on 22nd February 1954. *This amendment was designedly made with a view to purchase the second-hand vehicles of Ubhayakar.* Under the notification as originally issued, the second-hand vehicles could not be purchased without inviting serious criticism. *This amendment was made by the Stores Purchase Committee with the approval of the Secretary, Public Works Department.* The dates of publication of the notification and the amendment in the Official Gazette are not on record.

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* Vol. III, Annexure No. XXVI.
† Vol. III, Annexure No. XXVII.
‡ Vol. III, Annexure No. XXVIII.
§ Vol. III, Annexure XXV.
¶ Vol. III, Annexure XXIX.

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14. The description of the trucks to be purchased given in the schedule is almost identical with the description given by Ubhayakar in his letter dated 2nd February 1954.*

15. On 2nd March 1954, the Stores Purchase Committee forwarded to the Chief Engineer seven tenders opened on the previous day. By his letter dated 5th March 1954,† the Chief Engineer requested the Stores Purchase Committee to place an order with Ubhayakar.

16. On 8th March 1954, the Secretary, Stores Purchase Committee, submitted a note as regards these vehicles. The President agreed with him.‡ In this note, it is stated that these vehicles may be purchased " provided the department is satisfied that these vehicles are as good as new and capable of giving satisfactory service without any trouble for a normal period expected of such vehicles and that these vehicles though manufactured several years ago are suitable and in sound condition with all parts intact and they can serve for the normal period of life prescribed for new vehicles and there would be no difficulty whatsoever in obtaining spare parts". This proposal was approved by the Minister concerned on 10th March 1954. Without ascertaining from the Special Engineer whether he was satisfied about the condition of the vehicles as stated in the above extract, the Stores Purchase Committee wrote a letter to Sri Ubhayakar on 11th March 1954 § whether he would agree to certain terms. On his agreeing, the order was placed with him on the same day.¶ The Stores Purchase Committee ought not to have done this without an express undertaking from the Special Engineer as to the fitness of the vehicles as required.

17. The delivery of these vehicles was taken by 31st March 1954. The Special Engineer did not get the vehicles tested as required by the Stores Purchase Committee or as provided by the terms of the undertaking of the supplier. Among other things, he had to satisfy himself that they were in sound condition, that all parts were intact and that the vehicles could serve for the normal period of life prescribed for new vehicles. The Special Engineer had a right to reject any or all the vehicles. However, he merely caused an inventory of these vehicles taken, and submitted a report to the Chief Engineer on 5th April 1954.|| They were not examined as to their soundness. Even from this report it is manifest that the vehicles should not have been accepted, or at least should not have been accepted in the condition they have been accepted.

18. The order for supply by the Stores Purchase Committee, required inspection and approval of the Chief Engineer. On 14th April 1954, he saw the vehicle and passed the following order :

> "I have seen the vehicles. Sufficient amount for replacing damaged parts should be withheld and the bills passed for payment".

This was not done. The Special Engineer spent Rs. 1,680 for effecting certain repairs. This was not deducted even from the final payment made on 8th July 1955.

19. In making this purchase costing about Rs. 1,74,000, the ordinary care to get these vehicles examined by an Automobile Engineer was not taken.

20. On 20th May 1954, the Special Engineer placed an order for purchase of 8 sets of tyres, tubes and flaps at a cost of Rs. 5,295-6-0 for these vehicles on the ground that no tyres were provided for

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* Vol. III, Annexure XXVI.
† Vol. III, Annexure XXX.
‡ Vol. III, Annexure XXXI.
§ Vol. III, Annexure XXXII.
¶ Vol. III Annexure XXXIII.
|| Vol. III, Annexure XXXIV.

stepneys. The order was only for 8 sets, because 4 vehicles were already transferred to other Divisions. On 9th July 1955, Government sanctioned Rs. 33,000 for purchase of 50 sets of tyres, tubes and flaps for these military vehicles.

21. On 8th June 1954, the Special Engineer informed Ubhayakar about the bad condition of the eight vehicles, excluding those sent to Tumkur and Hassan Divisions, stating that it was noticed that milo-meters of all these 8 vehicles were not working, that they were consuming large quantities of engine oil, gear oil and differential oil, that four fan belts had snapped, that one dynamo and one petrol tank sent to the firm for repairs were not returned, that the damaged tyres and tubes were not replaced though promised and that one more tyre had burst and was not replaced. In his letter dated 10th June 1954, he sent a further list of defects which remained unrectified. That list is not on record. *The subsequent correspondence with this firm shows that the vehicles purchased by the Division were unserviceable second-hand vehicles and required constant heavy repairs.* It is also clear that the tyres were unserviceable from the very beginning. It was reported that the vehicles gave a mileage of 6 on load and 7 on no-load, per gallon. This is lower than the test got made by the Special Engineer. It is obvious that the vehicle tested was not included in the purchase or at least a perfunctory test was conducted.

22. These vehicles were neither necessary nor useful and were not on the road in April 1954. The Special Engineer was therefore anxious to get rid of them as early as possible. He transferred two vehicles to Tumkur Division on 29th April 1954 and two to Hassan Division on 30th April 1954. The Executive Engineer, Tumkur Division, complained that they were not giving good service though they were repaired often in the Division Workshop and at the supplier's garage. By 26th August 1954, four tyres had already burst and the vehicles were stopped for want of tyres.

23. The Special Engineer transferred six vehicles in August 1954 and the remaining two on 6th November 1954 to other Divisions. These vehicles had not done any haulage work for the Vidhana Soudha Division.

24. In sending two vehicles (V.S. 19 and V.S. 20) to Water Supply Division on 28th August 1954, the Special Engineer stated that the vehicles had respectively run 250 and 520 miles only, that the speedometers were not functioning, that they had no spare tyres. He also referred to other defects. These vehicles were practically from the commencement under repairs of carburettor, engine and other defects. On a copy of this letter, the Chief Engineer remarks :

> "I wonder why the Special Engineer was so eager to secure the equipment".

25. On the letter of the Executive Engineer, Chitaldrug Division to Special Engineer for giving delivery of 2 of these vehicles copied to him, the Chief Engineer remarked on 27th September 1954 :

> "This Executive Engineer seems to be fond of these heavy trucks which are giving trouble and consume a lot of petrol".

26. Having given the certificate as he did on 14th April 1954, these remarks are pointless. It is apparent that the Chief Engineer was at least as eager to secure these vehicles as the Special Engineer. Both are equally responsible for this heavy loss to the State.

27. At this stage, it would be convenient to refer to the offers of these vehicles by Shri Ubhayakar against enquiries Nos. 11995 and 12060. The former was on the indent of the Chief Electrical Engineer. The Government turned down his recommendation to purchase these vehicles because the Stores Purchase Committee

pointed out that the Chief Electrical Engineer should take full responsibility for the performance of the vehicles.

28. The other enquiry dated 26th December 1954 was made on the indent of the Special Chief Engineer for Bhadra Reservoir works and was for diesel lorries. Brushing aside several tenders for diesel lorries and for others on the ground that the trucks were reconditioned petrol vehicles, the Special Chief Engineer sent an order to the Stores Purchase Committee for purchase of 10 vehicles of Shri Ubhayakar. In reply to the query of the Stores Purchase Committee whether he would take full responsibility for the soundness, etc. of these vehicles, the Special Chief Engineer stated that these vehicles must be treated as second-hand lorries and their prices fixed up after thorough examination by an automobile expert and his advice taken that the lorries are good, sound and serviceable. In the alternative, he stated that new Studebaker lorries may be purchased. He declined to take any responsibility for the soundness of the vehicles tendered by Shri Ubhayakar. In spite of this, the Stores Purchase Committee asked the Special Chief Engineer to get the lorries examined by one of his officers having knowledge of automobile engineering, and thereafter an order for 10 vehicles was placed with Shri Ubhayakar on 11th March 1954 for Bhadra Reservoir works, *without waiting for a certificate of fitness of the vehicles.* The vehicles were found very unsatisfactory and the 10 per cent balance of the price is not yet paid.

29. It appears that the Stores Purchase Committee also shared the anxiety of others to purchase the vehicles of Ubhayakar regardless of consequences. It must be noted that the orders for Vidhana Soudha Division and Bhadra Reservoir Works were placed on the same day, *i.e.*, 11th March 1954.

No need for New Vehicles.

30. Statement No. I * shows the dates on which the several vehicles of the Division were put on road and the dates of their transfer to other Divisions. A scrutiny of the Log Books for the months of September 1953 to June 1954,† clearly shows that the five vehicles which were originally allotted to the Department were not all required for departmental work. They were mostly hired out to contractors. This was being done in spite of the fact that they were put to rough and strenuous use by the contractors. The departmental use was mainly for town work. The maximum use to which these vehicles were put by the Department was about 100 miles a day, while that of the contractor was about 236 miles. The contractors always used the vehicles for more than 100 miles a day while the departmental use rarely reached the maximum. The purchase of 24 Desoto lorries was therefore unnecessary.

31. Out of the 24 Desoto trucks allotted to the Department, 12 were placed on road on different dates in February and March as shown in statement No. I.‡ Before this, the Special Engineer had informed the Chief Engineer that 8 out of these 24 trucks could be spared for other Divisions and they were accordingly transferred. The account of the remaining 4 trucks is not clear from the record.

32. One new Desoto vehicle was put on road on the 1st February and three more on the 10th. The normal use of the first vehicle was about 40 miles a day while that of the other three vehicles was about 20 miles a day during February. V. S. 8 has made only 209 miles in 15 days.§ It was under repairs from 6th March to 8th April.¶ Out of the nine vehicles with the Division on 1st

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* Annexure XXVIII, Vol. III.
† Annexure XXXVI, Vol. III.
‡ Annexure XXVIII, Vol. III.
§ Annexure XXXV, Vol. III.
¶ Annexure XXXVII (i) and (ii), Vol. III.

March, seven were hired out to contractors and their daily average run was from 100 to 150 miles a day, while the average daily mileage for departmental use was from 10 to 60 miles a day. Six more vehicles were put on road in March. One of them was again given on hire and the daily average mileage was more than 100. The daily average for departmental use was from 17 to 65 miles. It is thus manifest that the vehicles were not fully used for the departmental work; and there was no need for additional vehicles.

33. Under these circumstances, it is difficult to accept the correctness of the representations of the Special Engineer to the Chief Minister and the Chief Engineer about his need for 12 Dodge vehicles. His anxiety to purchase these vehicles cannot be reasonably explained on the ground of need. The Chief Engineer should not have moved the Government for sanction, merely because the Special Engineer and the Assistant Secretary, Public Works Department were pressing him to do so. He should have scrutinised the need before sending the proposal. The facts, however, lead to the irresistible inference that he was as anxious as the others, if not more, to acquire these vehicles.

34. We are told that heavy stone pillars and stone slabs were transported on Desoto vehicles. As will be shown presently, these Dodge vehicles were not used for the purpose. Such of them as were used were used only for light work.

35. In the month of April 1954, almost all the Desoto vehicles were hired out to contractors. One vehicle hired out did 4,808 miles in 25 days. Except for 3 or 4 days, the daily run exceeded 200 miles. Two vehicles for departmental use made 2,471 and 2,177 miles in 26 and 21 days respectively. The respective daily average is only 95 and 104. Maximum daily mileage was only 127, as against 211 miles by the contractor. The mileage of other vehicles for departmental use was on an average 5 to 10 miles for three vehicles. A vehicle which did on an average 100 miles with a contractor did 5 to 10 miles for departmental work. The performance of these vehicles in May and June was in no way different. *We have made this analysis for these nine months to demonstrate that the demands of the Special Engineer for more and more vehicles was not in the least justified; and that the Dodge vehicles should not have been purchased. This analysis further shows that apart from hiring of lorries to contractors, which should not have been done, the Department did not make adequate use of the vehicles used by it.*

Hiring of Lorries to Contractors.

36. By his letter No. 24—V.S., dated 6th April 1954, the Special Engineer informed the Chief Engineer that after sometime, most of the departmental lorries of the Division will be given away to the contractors on hire and consequently the purchase of petrol will be considerably reduced. In reply to this letter, the Chief Engineer wrote on 10th April 1954 as follows:

> "Lorries should not be hired out to contractors. The rates paid to the contractors should be exclusive of the departmental transport charges. Therefore the Vidhana Soudha Division will have to purchase a heavy quantity of petrol for its lorries every day."

37. On 5th June 1954 the Chief Engineer issued the following circular order to the Special Engineer:

> "As a general rule, lorries should not be hired to contractors. The lorries may be woked departmentally for the contractor and suitable rates may be paid to him after working out data or calling for quotations. The rates paid should be exclusive of transport charges."

It was stated:

> "It is observed that the lorries hired out to contractors are not being looked after by the contractors with due care and vigilance. They are put to rough and strenuous use and are subjected to heavy wear and tear, thus endangering the life and durability of the machine. The lorries are overworked and returned late in the night."

38. Instead of carrying out these orders, the Special Engineer pointed out that hiring of lorries was very necessary for the Vidhana Soudha Division and requested approval to continue hiring out of lorries. The Chief Engineer refused to convey approval for hiring of departmental lorries (letter No. 5417, dated 5th July 1954).

39. In spite of these prohibitory orders, the Special Engineer persisted in hiring out of lorries to contractors. The contractors have put the lorries to maximum use regardless of damage to the vehicles with the result that considerable sums had to be spent for repairs of these lorries.

40. These vehicles were hired not only to the contractors supplying material for Vidhana Soudha Work but also to Messrs. Kempiah Sons & Co., who were the tendered contractors for the Accountant General's Office building.

Dodge Vehicles and their Performance.

41. The Special Engineer has supplied to the Committee a statement of the details of work done by Dodge vehicles in the Division.* He stated that four vehicles were transferred in April 1954—two were transferred without registration and two were transferred while registration was being effected. Six vehicles were transferred in August and the remaining two on 6th November 1954. Out of the eight vehicles, only two (V.S. 21 and V.S. 24.) had milometers. In the Log Books of the other vehicles, petrol consumption only is noted. Even the approximate mileage done is not noted.† A perusal of the Log Books of V.S. 17, V.S. 19 and V.S. 20 will show that these vehicles were under repairs from the very beginning. The mileage shown in statement * is mostly for the trial runs and transport of materials from Stores to the workspots. The Special Engineer appears to have assumed six miles per gallon for which there is no basis so far as these vehicles are concerned. In V. S. 18, a consumption of 55 gallons is shown for two days. This appears to be excessive. The Log Books show overwritings and interpolations as regards the consumption of petrol. The consumption has therefore to be scrutinized.

42. These 12 vehicles were transferred to other Divisions with an intimation that the seller was bound to keep the vehicles in repairs. The Committee has written to the Executive Engineers to write about the working of these vehicles. Their replies are awaited. Government should obtain the required information to finally deal with the matter.

43. Since the vehicles were not roadworthy and there was constant trouble as is evident from the correspondence of the Special Engineer with the supplier, it was necessary for him to obtain the reports of the working of these vehicles from the other Divisions and to submit comprehensive report on the performance of these vehicles to the Chief Engineer and he should have sought approval to deduct the entire 10 per cent payable to the supplier. On the other hand, the Special Engineer was in a hurry to make payment and he did make payment before obtaining approval of the Chief Engineer. The liability of the Special Engineer and other persons concerned in this

* Annexure XXXVIII, Vol. III.
† Annexure XXXIX, Vol. III.

transaction may be examined. Though the Chief Engineer knew both the conditions of the vehicles as well as their unsatisfactory performance, he approved of this proposal the very day the reference was received, passing orders on the original letter without scrutiny in the office.

44. Not only have these people put the State to a loss of Rs. 2.14 lakhs, but they have not cared to retrieve that loss, even partially, by withholding payment of the 10 per cent, which the supplier could not have legitimately claimed from the Government.

(*b*) Flooring Contract to Messrs. Boriah Basaviah and Co.

45. The item of the several types of special flooring and allied works is the only major construction work for which tenders were invited. The allied works include dadoing, skirting, plain and special terrazo finishes to bases, capitals of pillars, etc. The other items of work were done on piece work, task work and nominal rolls.

46. The Special Engineer told the Committee that the work being a skilled one could not be done departmentally. It is said that it was therefore considered desirable to entrust the work of manufacture, laying and polishing of the tiles to a contractor on tender, the base and levelling course for the flooring being done by the Department.

47. Plain and special terrazos, dadoing and skirting, etc., work, which could have been done more expeditiously and economically by the Department was given to the tendered contractor. When he was found unable to keep up the required progress, some work was entrusted to piece workers, and they were promised rates payable to the contractor though the work could have been executed at lower rates. The maximum share of all the costly and special type of work has been entrusted to the tendered contractor and the quantity of work done by other agencies is negligible.

48. The details of the several types of flooring and allied works as contemplated in the Rs. 50-lakh estimate and the Rs. 130-lakh estimate are shown in the Annexure.* In the former, the special type of flooring is 2,690.9 squares at a cost of Rs. 2,83,183, ordinary flooring is 309.7 squares and the allied works are only 75.8 squares. The total estimated cost is only Rs. 3,98,815. In the Rs. 130-lakh estimate *prepared after the work was given to the tendered contractor,* the special type of flooring is 4,412 squares, ordinary flooring 540 squares and the allied works 700 squares. The total estimated cost is Rs. 9,70,438 inclusive of Rs. 7,53,245 for the special type of flooring. *The increase in the allied works was mainly due to introduction of new works, not originally contemplated.* The rate payable for this work is about Rs. 280 per square on an average.

49. Except for the additional area of 805 squares consequent on the addition of the third floor, there has been no addition to the building proper to justify any large increase in the areas of flooring as shown in the Rs. 130-lakh estimate, over and above those shown in the Rs. 50-lakh estimate. The total area of flooring actually executed is only 4,362 squares. In view of these facts, the claim that both these estimates had been prepared carefully and in detail, is manifestly untenable. There was a deliberate under-estimate in the earlier and an over-estimate in the later estimate.

50. At the meeting of the Technical Committee, held on 16th March 1954, the following resolution was passed :

> "For Assembly Hall, it was decided to have wooden flooring. Mozaic flooring in situ may be adopted for special chambers and Halls, if 'Terrabond' strips can be secured after enquiry. If otherwise, mozaic tiles may be adopted. For general office, red oxide-finished cement floor may be adopted."

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* Annexure No. XL, Vol. III.

Without consulting the Technical Committee as to the mode of execution of this work, the Special Engineer decided to call for tenders apparently on the ground that skilled work could not be done departmentally.

51. According to para 3 of the tender notification dated 1st October 1954, the approximate area to be covered with flooring tiles is 2,500 squares, while according to the specifications in the tender it is 3,400 squares (900 squares mozaic flooring with tiles or cast-in situ-terrazo and 2,500 squares of relief tile flooring). But the break-up of the approximate quantities of different types of flooring as given in the comparative statement * is only 2,550 squares. It is therefore manifest that no care was exercised in drawing up the tender.

SPECIFICATIONS AND CONDITIONS AS PER TENDER NOTIFICATION.

52. The following specifications and special provisions were stated in the tender notification :

Specifications.

(i) Tiles to be laid with cement mortar $\frac{3}{4}$ inch thick, 1 : 3 proportion, inclusive of levelling the bed with cement mortar 1 : 3.
(ii) Separate rates to be quoted for use of local chips or foreign marble chips.
(iii) Terrazo work to be $\frac{3}{4}$ inch thick, and with foreign imported chips.
(iv) Tiles to be of size between 8 inches by 8 inches and 10 inches by 10 inches, $\frac{3}{4}$ inch thick, with the mosaic portion not less than $\frac{1}{4}$ inch thick after polishing and to be of proportion of cement and sand 1 : 2.
(v) For dadoing work for wall with mosaic finish, the cement plastering is to be $\frac{1}{2}$ inch to $\frac{3}{4}$ inch thick of 1 : 3 cement mortar, with $\frac{1}{4}$ inch thick terrazo finish, and with terra-bonds.

Conditions.

(i) Machinery and equipment for the manufacture of tiles to be installed in the Vidhana Soudha premises.
(ii) Ground space, sheds, water supply and electrical energy for polishing work, to be at Government cost.
(iii) Ordinary cement, if required, to be supplied by the Department at prevailing rates.
(iv) Progress to be 400 squares per month and the work to be completed in all respects by 30th June 1955.
(v) Supply of clean sand to be made by the contractor.
(vi) Work should not be sublet to others.
(vii) Brief account of the process of manufacture of tiles to accompany the tender.

53. On 1st November 1954, tenders were received only from the following three firms :

(*a*) Standard Brick and Tile Company, Ltd., Yelahanka, Bangalore.
(*b*) Mys. India Tiles and Engineering Co., Madras-3.
(*c*) National Cement Flooring Works, Mysore.

54. The Mysore firm had a small factory at Mysore with two or three hand-presses, and it had no hydraulic press.† The Special Engineer had seen it but had no idea of its daily output. Manifestly, it was a small manufacturing unit. From the details given by the Madras firm in the tender, it appears that it was a firm of standing reputation and experience and its process of manufacture was on a scientific basis. Although this firm had submitted with the tender the necessary documents such as income-tax clearing certificate, etc., the Special Engineer made a note that they were not received. He could not explain this endorsement in face of these documents.

* Annexure No. XLI, Vol. III.
† Witness No. 2, Vol. II, Page 23, Para 127.

Chapter XV.

55. According to the comparative statement, the total cost of work at the rates quoted by the Mysore firm was Rs. 4,56,200 while that at the rates quoted by the Madras firm, it was Rs. 4,68,560. In its covering letter, the Mysore firm had specifically stated that the rates quoted for terrazo work were for $\frac{3}{8}$ inch thick mozaic portion and not $\frac{3}{4}$ inch as in the tender notification, on the ground that extra thickness on a pillar or wall would be liable to crack. As the Madras firm have not made any comments in their quotation against this item, it has to be considered that they were prepared to do the $\frac{3}{4}$ inch thick mosaic for the terrazo work. For comparison, the Special Engineer should have calculated the rate of the Madras firm for $\frac{3}{8}$ inch thickness, to find out if there was really no difference in the rates of the two quotations and he would have found that the total cost of the Mysore firm was not much lower than that of the other firm. The Mysore firm had quoted Rs. 140 for relief tile flooring while the rate quoted by the Standard Brick Tile Co., Ltd., Yelahanka was Rs. 125 only. In these circumstances, it is difficult to accept the statement of the Special Engineer that the quotations of the Mysore firm were the lowest. In view of the standing of the two firms and the alleged necessity for speedy execution, the tender of the Madras firm should have been accepted. The relief tile flooring should have been given to the Yelahanka firm whose rate was the lowest.

56. There was no adequate publicity of this tender notification for a large contract. Tenderers had only two weeks' time from the date of its first publication in the official Gazette on 14th. It was also published on the 21st and 23rd October. It was not published in any newspaper in or outside the State. It was not sent to any manufacturer or firm taking flooring contracts. The condition of manufacture of tiles at the site was evidently laid down to exclude large scale manufacturers and to extend patronage to a favoured firm. Otherwise there was no point in this condition. The tender notification did not contemplate manufacture under the supervision of the Department. According to the Special Engineer, the Department was *ill-equipped to do this job.* In fact, the contractor did not manufacture tiles at the site under the supervision of the Department. No attempt was made to test that the tiles manufactured were according to specifications. Tiles manufactured at Coimbatore shortly after entering into the contract with the Mysore firm were used in large quantities. The Special Engineer issued cement from the Stores for manufacture of tiles at Coimbatore, outside the State. *This he did without the permission of the Cement Controller.*

57. According to Shri Muniappa, the Contractor was entitled to cement from the Department, whether he manufactured the tiles at site or elsewhere in Mysore State or outside it.* He also stated that there was no breach of the agreement in using the tiles manufactured at Coimbatore. This is contrary to the specific terms of the tender and specifications, and defeats its object.

58. Mr. Muniappa admitted that "the representatives of the Coimbatore firm and the MYSINDIA are executing the work for the flooring contractor". The tiles bearing marks "MYSIND" or "T. F. LTD." are used for flooring. The former were manufactured at the site apparently by the Madras firm and the latter are manufactured at Coimbatore by the Coimbatore firm. The inference is irresistible that these are the real contractors and the National Cement Flooring Tile Works are their nominees. At any rate, these two firms are the sub-contractors. This is also a breach of the tender notification and the agreement. It is difficult to

* Witness No. 2, Para 113, Volume II, Page 21.

appreciate why the Special Engineer persuaded himself to do all this. The Proprietors of the National Cement Flooring Works, Mysore, Messrs. Boriah Basavaiah & Sons, were requested to appear before the Committee, but they did not do so.

59. In October 1953, Messrs. Tile and Flooring Ltd., Coimbatore had written to the Superintending Engineer that they were prepared to instal machinery for the manufacture of tiles at Bangalore, as suggested by him, if the work was about Rs. 3 lakhs; they offered to execute the work at Rs. 160 per square against the average rate of Rs. 176 of the Mysore firm.* This offer was repeated a few days later. The Special Engineer then informed the firm that the Department had no intention of installing machinery for the manufacture of tiles. This was not any reply to the offer. The tender notification was not sent to this firm nor did the Special Engineer bring to the notice of the Chief Engineer the offer of this firm to execute the work at the average rate of Rs. 160 per square. As a matter of fact, tiles manufactured by this firm at Coimbatore, for which cement was supplied from the stores, have been used in large quantities.

60. On 16th November 1954, the Special Engineer wrote to the Chief Engineer to solicit approval of his action in entrusting the work to the Mysore firm on the ground that the work had to be pushed through. He did not request the Chief Engineer to obtain Government sanction. On 23rd November 1954, the Chief Engineer returned the tenders with a direction to place the subject before the Technical Committee and obtain their views before taking up the work, as it involved several questions of importance such as the types of flooring required for each portion of the building, the suitability of the rates quoted by the lowest tenderer and desirability of getting all the works done on tender system instead of doing a portion departmentally and giving a portion on tender system. The Special Engineer admitted before us that these directions were in accordance with the Government Order appointing the Technical Committee. He stated " ordinarily, I should have carried out the directions, but on 13th November, I had asked the National Cement Flooring works, Mysore, to see me with a view to make arrangements for putting up sheds, etc., required for manufacture of tiles ".

61. Evidently banking on the support of the Chief Minister, he had decided to give this work on contract to this firm. Therefore, instead of carrying out the direction, he complained † to the Chief Minister that the tenders for flooring had not been approved. Thereupon, the Chief Minister asked the Chief Engineer to dispose off the matter early. Thereafter, the Special Engineer returned the tenders and the comparative statement to the Chief Engineer on 1st December 1954 stating that " the tender portion need not be discussed by the Committee ". He also stated that no portion of the flooring was proposed to be done departmentally as the department did not propose to instal machinery and manufacture tiles. The Special Engineer admitted before us that " the view advanced in this letter that 'tender portion need not be discussed by the Committee' is erroneous. The language used in this sentence is improper for a subordinate officer *vis-a-vis* his superior officer."

62. He however, justified his action in not complying with the direction of the Chief Engineer to place the subject before the Technical Committee on the stock excuse of " avoidance of delay ". He took 14 days to submit the tenders to the Chief Engineer. If avoidance of delay was the object, he should have promptly convened

* Witness No. 2, Para 106, Vol. II, Page 20, para 107 *ibid.*

† Witness No. 3, Para 52, Vol. II, Page 33.

a meeting of the Technical Committee and after obtaining their decision, he should have submitted the tenders for approval. In his evidence he stated that he could convene a meeting at short notice even without circulating the agenda. *The Technical Committee was meeting on the 2nd December.* He admitted that the delay could have been avoided by placing the subject before that meeting.

63. As regards the action taken by him on the directions of the Chief Minister, the Chief Engineer stated " I asked my office to put up papers and they put up the office note together with the letter of the Special Engineer dated 16th November 1954 and the quotations. I passed an order * recommending acceptance of the tender of National Cement Flooring Co., Mysore.† This was on 1st December 1954. Letter No. 1003—V.S. dated 1st December 1954 of the Special Engineer was received on 1st December 1954 in my office but was never placed before me. I learnt of it only when it was shown to me by the Enquiry Committee and I am going to take action in the matter ". If the statement that the letter was not placed before him is correct, it must be said that he passed the order as directed *and without looking into tenders and the comparative statement,* and thereby failed to discharge his duty. If the letter was before him, the conclusion is that he had to put up with the offensive conduct of the Special Engineer and pass an order as directed. After his evidence was recorded, the Chief Engineer wrote a D.O. to the Special Engineer calling upon him to show cause why disciplinary action should not be taken against him for writing the said letter. What happened to it subsequently, is not known to the Committee.

64. The matter should have been placed before the Technical Committee to consider—

(*a*) The several types of flooring and allied works for the different portions of the building, their relative cost and the total cost of the work.
(*b*) Whether manufacture of tiles on the site was necessary for quality work.
(*c*) Whether the work should be given wholly or partly on contract, and partly departmentally.
(*d*) Whether it should be executed by purchase of tiles, dadoing, laying and polishing them departmentally.
(*e*) Whether there was sufficient publicity of the notification.
(*f*) The suitability of rates quoted.
(*g*) Splitting up of the work among different tenderers.
(*h*) The question of entrusting the work of relief tiles to the Yelahanka firm who had given a lower quotation.

At the meeting held on 2nd December 1954, the Technical Committee merely elaborated on the details of the types of flooring work to be done. It should have asserted its rights and should have examined all these questions and should have required the Special Engineer to submit data statements to enable it to finally dispose of the matter satisfactorily. It failed. The Chief Engineer, who presided over the meeting, did not invite the Committee to decide these questions. The reason is obvious. He had already taken a decision at the behest of others.

65. No attempt was made by the Special Engineer to ascertain the prevalent rates for execution of this kind of work and to place materials before the Chief Engineer to facilitate examination and acceptance of the rates quoted. He did not bring to his notice the offer of the Coimbatore firm. The approval of Government, he took for granted ; and expected the Chief Engineer merely to forward the file with his formal recommendation.

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* Annexure XLII, Vol. III.
† Witness No. 3, Para 52, Vol. II, Page 33.

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66. On 4th December 1954, the Chief Engineer forwarded the tenders to Government recommending the approval of the tender of the Mysore firm. He did not even work out the total cost of flooring as decided by the Technical Committee. Nor did he point out that the provision in the sanctioned estimate was being exceeded. Nor did he care to examine the suitability of rates. He knew or should have known that the prevailing rates at Bangalore were much lower.*

67. The work is incomplete even now. When the Chief Engineer forwarded the tenders to Government on 4th December 1954, only the ground floor was completed and the first floor was nearing completion.† As a matter of fact, it was impossible to make the space available to the contractor to complete the work by the end of June 1955. The Special Engineer has admitted this.‡ There was no need to rush the matter through. He should have told the Chief Minister accordingly; and should have submitted the tenders to Government only after a thorough scrutiny.

68. Without enquiring into any of these matters, the Government accorded its approval on 24th December 1954.

69. The agreement with the Mysore firm was made on 2nd February 1955, by which, the Government agreed to supply free electric power for the manufacture of tiles. This concession outside the tender notification must have resulted *in an additional and unnecessary liability of about Rs.* 10,000. The Special Engineer constructed four tanks for the contractor for curing the tiles but *has not recovered* the cost. The usual *penalty clause for short progress*, specific in nature, was not provided in the agreement. As a matter of fact, the agreement was not drawn upon the standard form and was therefore defective in several particulars. Though the matter was rushed through on the ground of urgency, the period of completion of work was extended from 30th June 1955 to the end of December 1955.

70. The types of flooring decided by the Technical Committee on 2nd December 1954 were not adhered to. In consultation with the Government Architect, the Special Engineer decided to change the types of flooring on 14th April 1955 and requested the Chief Engineer for his approval. He did not obtain the approval of the Technical Committee for this change, though it also involved a heavy increased cost. His explanation is:

> "Generally, they were not contradicting the joint opinion of the Government Architect and myself. Therefore, it was not referred to the Committee."§

He further stated,

> "This proposal is not yet approved by the Chief Engineer. *Without obtaining the Chief Engineer's approval, I have not only made the changes as proposed in my letter dated 14th April 1955 but also other changes subsequently.*" ¶
>
> * * * * * *
>
> "*I did not calculate the additional liability to the Government on account of the changes proposed in the letter dated 14th April 1955 or in subsequent changes executed.*
>
> * * * * * *
>
> "*The flooring of the third floor which was meant for offices has been changed from plain red tiles to mosaic flooring.*" ||

He increased the quantity of terrazo work from 450 to 900 squares, the extra being over Rs. 1.40 lakhs. He did not submit any of these

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* See para 79 *supra.*
† Annexure XLIII, Vol. III.
‡ Witness No. 2, Vol. II, Page 20, Para 110.
§ Witness No. 2, para 117, Vol. II, page 22.
¶ *Ibid.*
|| Para 118, *ibid.*

proposals to the Chief Engineer for approval and Government sanction.

71. For the several items of work outside the tender thus got executed by him, he proposed to pay certain rates as stated in his letter dated 3rd May 1956,* and requested the approval of the Chief Engineer. That approval is not yet obtained. *Without taking an acceptance of the contractors to these rates,* he got the work executed.

72. He did not issue any written orders to the contractors as regards the type and quantities of work to be done by them. The result is that whatever work the contractors have done must be paid for whether it was in accordance with the orders of the Chief Engineer or not. The Special Engineer told the Committee that the written agreement with the contractors has been varied by him with the concurrence of the Government Architect and under the written order of the Chief Minister dated 21st March 1955 and his oral order. The instructions of the Chief Minister dated 21st March 1955 do not convey any such direction. The so-called oral instructions were never got confirmed.

73. The comprehensive statement † details the several types of work proposed as per tender notification, provision in the estimate of Rs. 130 lakhs, recommendation of the Technical Committee dated 2nd December 1954, and as per actual execution and their respective costs.

74. The tender notification specifies 3,400 squares of flooring work, while the comparative statement compiled after the tenders were obtained, details 2,550 squares of flooring work and 450 squares of allied works. The total of 3,400 squares shown in the comparative statement is not only arithmetically wrong, but also combines flooring and the allied works.

75. As against 2,550 squares of flooring work shown in the tender, recommended for sanction to cost Rs. 3,21,200, the area has been 3,522 squares according to the decision of the Technical Committee costing Rs. 5,03,595. The actual work turned out is 3,483.6 squares at an approximate cost of Rs. 5,33,942. Some claims for work done are still under settlement. The excess of cost over the recommendations of the Technical Committee is about Rs. 40,000.

76. In the case of allied works, as against 450 squares at a total cost of Rs. 1,35,000 in the tender notification and in the tender recommendations, the actual work done is 881.44 squares costing Rs. 2,41,936. The actual quantity for this work has not been decided by the Technical Committee. For the purposes of comparison, the amount for this work has, however, been taken as Rs. 1,43,218 as per provisions in the estimate. The excess is due to additional embellishments in these works. Thus the total excess expenditure is Rs. 1,40,000.

77. In the tender notification, the levelling course which is essential for flooring work was not given on tender but was proposed to be done by the Department. As the Special Engineer has himself admitted, it is always advantageous to have both the works executed by the same agency. The only reason advanced for departing from this salutary practice is that the Department could not correctly specify the thickness of the levelling course when the notification was issued. The thickness that is to be provided is average thickness. On account of this defective tender notification, difficulties arose immediately after the work was started. Therefore, on 25th April 1955, the Special Engineer wrote to the Chief Engineer proposing that the entire labour work be given to the contractor, the material

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* Annexure No. XLIV, Vol. III.

† Annexure XLV, Vol. III.

being supplied by the Department. The Chief Engineer accepted his proposal, but before the difference in rate was determined and agreed to by the contractor, he was allowed to do the work. The Chief Engineer has decided that Rs. 6-8-0 per square be deducted from the rates for flooring. *The contractor has not agreed and there is a dispute.* Another difficulty is created by changes in the pattern of flooring, for which there are no agreed rates. This has given an opportunity to the contractor to demand arbitrary and high rates. The rates should have been agreed to before this work outside the tender was taken up.

78. There have been several complaints by the Special Engineer about the bad quality of work done by this contractor and there is no evidence about the rectification of the defects. The Committee has noticed that the flooring of the southern verandah of the third floor is defective. Either the manufacture of tiles is defective in that there is no proper proportion of cement and sand or that they were not properly cured or properly laid. The Committee understands that a large percentage of tiles are not polished.

79. The Committee has ascertained the rates at which flooring has been done for institutions, offices and industrial concerns in Bangalore and also at the power house control room of Jog. On a comparison of those rates with the rates paid or payable to the contractor, it will be noticed that the cost of this flooring work is Rs. 77,277 more than what it should be.* If the Department had carefully prepared the data rates and the quantities of flooring to be done, had given wide publicity to the tender notification and entered into correspondence with the leading manufacturers of tiles and had not insisted on manufacture at site, the Committee feels that this amount could have been easily saved. As usual there was bad planning and the matter was unnecessarily rushed through. The facts and circumstances of the case warrant an inference that all this was done to favour the contractor.

80. As already noted, after accepting his tender, the Department undertook to supply him electric power free for the manufacture of tiles and thus incurred a liability of Rs. 10,000. They also constructed four tanks for curing of the tiles whose cost was not recovered from the contractor although several bills were paid to him subsequently. There were frequent changes in the patterns of flooring to be laid from ordinary types to costlier ones and to untendered items, adding to the cost and also to the excessive claims by the contractor for unagreed items.

81. The terrazo work could easily have been done by the Department at a considerable saving instead of entrusting it to the contractor at arbitrary and high rates. In fact, the Department did the entire base work and spent the maximum labour to bring these works to the final shape and finish. The work done by the contractor was just plastering the mosaic paste and polishing the same. Even the little work that was not done by the contractor was given to piece-workers without settling their rates and promising to pay them the rates payable to the contractor.

82. On account of this bad planning and want of care in accepting the tender, the Government is put to a loss of over Rs. 1.5 lakhs in Floors and Rs. 0.94 lakh in Terrazo work.†

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* Annexure XLVI, Vol. III.
† Annexure XLVII, Vol. III.

Chapter XV.

(c) PURCHASE OF JUNGLE-WOOD PLANKS, SCANTLINGS AND REEPERS REQUIRED FOR CENTERING OF R.C.C. WORK OF VIDHANA SOUDHA BUILDING.

83. By Notification dated 19th December 1953, tenders were called for the purchase of 4,000 C.ft. planks, 2,000 C.ft. Scantlings and 13,000 R.ft. Reepers fixing 11th January 1954 as the last date for receiving tenders. These tenders were opened on 18th Janury 1954. Out of the six tenders received, two were rejected because of non-receipt of earnest money.

84. In his report to the Chief Engineer dated 21st December 1953, the Special Engineer stated that the total roof area to be cast with R.C.C. roofing was approximately 3,00,000 Sq. Ft. and that the total area of centering for R.C.C. work for columns, beams, lintels, etc., was estimated at 1,00,000 Sq. Ft. On the basis that centering material could be used six times, the area for which centering material would be required was estimated at 70,000 Sq. Ft. and the requirement of material was given as follows:—

Planks	..	..	3,500 Cft.
Scantlings	..	..	3,000 Cft.
Reepers	..	..	85,000 Rft.
Bamboos	..	..	20,000

The correct quantity of planks should have been 8,750 c.ft. The quantities in the tender notification were far less than his requirements.

85. In this report it was stated that the purchases were already made to the extent of about Rs. 8,000. *They were made without calling for any tenders or quotations or without any prior sanction. These purchases have not received the approval of the Chief Engineer subsequently.*

86. Up to 25th December 1953, the total purchases were Rs. 8,691-10-0. From 26th December 1953 to 18th January 1954, the Special Engineer made further purchases amounting to Rs. 16,072-4-9. *Thus the total purchases prior to the date of opening tenders were Rs.* 24,763-14-9.*

87. The Special Engineer ought to have foreseen the necessity for centering material and ought to have called for tenders in time, to secure supplies whenever required. Whether failure to take this elementary precaution was due to gross negligence or design, it is difficult to say.

88. The full particulars of the rates of the tenders are as follows:

	B.N.A. Furniture Qtn.	Sidda-lingeswara Saw Mills	M. Thimme Gowda	Azeez & Co.	A. K Ahmed	G.Murthusa Beig
Scantlings 1,000 Cft. 2″×1½″ ...	4 8 0	5 4 0	4 8 0	5 4 0	5 2 0	5 12 0
Do 3″×2″ and 4″×2″ 1,000 Cft. ...	4 6 0	5 4 0	4 10 0	4 14 0	5 0 0	5 8 0
Reepers 2″×1″ and 3″ to 4″ 3,000 Rft. ...	58 0 0	40 0 0	40 0 0	22 0 0	22 0 0	28 0 0
Do 5′ and above 10,000 R.ft. ...	62 0 0	50 0 0	45 0 0	34 12 0	34 12 0	38 0 0
Palghat Nandi Planks 3,000 Cft. ...	9 0 0	8 4 0	7 8 0	5 8 0	5 8 0	6 0 0
Mysore Nandi Planks 1,000 Cft. ...	9 0 0	8 4 0	7 8 0	7 0 0	7 0 0	8 0 0
	No earnest money	44,120	39,695	34,039-4 S.T. extra	34,038-4	No earnest money

* Annexure XLVIII, Vol. III.

89. Instead of accepting the lowest quoted rates for each type of material, on 20th January 1954, the Special Engineer sought approval to the purchase from Sri A. K. Ahmed. The approval of the Chief Engineer given on 28th February 1954 was communicated to the Special Engineer on 15th March 1954. The Special Engineer however, effected purchases from 19th January 1954 and he had purchased from 19th January 1954 to 15th March 1955, 9,382 C.ft. of planks, 5,423 C.ft. scantlings and 63,300 R.ft. reepers as against the respective quantities of 4,000 c.ft. 2,000 c.ft. and 13,000 r.ft. in the tender notification. If the matter had received due attention at the hands of the Special Engineer, Superintending Engineer and the Chief Engineer and if the purchases had been made at the lowest quoted rates for each type of material, there would have been a saving of about Rs. 2,600 on these quantities purchased.*

90. The first order was placed with Sri Thimme Gowda on 21st January 1954. He was paid for scantlings at Rs. 4-8-0 and Rs. 4-10-0 (the rates quoted by him) while the other suppliers were paid at Rs. 5-2-0 and Rs. 5-4-0 for the same material. The statement of purchases submitted by the Special Engineer to the Chief Engineer on 18th October 1954† shows that there was no delay in supply by Sri A. K. Ahmed. Still, he got orders for only about half the quantity for which his tender was accepted.

91. Having sought approval to purchase from Sri A. K. Ahmed, all the purchases should have been made from him. They were, however, made also from Sri Thimme Gowda, Azeez & Co., and G. Murthuza Beig, and from a non-tenderer Messrs. B. Kempiah Sons & Co.* These purchases are therefore unauthorised. Sanction to purchases from these persons has not been subsequently obtained. No reason has been given for making purchases from these tenderers. The reason given for making purchases from the non-tenderer that ready stock was not available with the other persons, is not true. The statement dated 18th October 1954† shows that Sri A. K. Ahmed and other tenderers were supplying materials almost immediately after the orders. There is no document to prove that Sri A. K. Ahmed or others committed defaults.

92. On 22nd June 1954, the Special Engineer sought approval of the Chief Engineer to the refund of the earnest money of Rs. 1,000 to Sri A. K. Ahmed on the ground that the *full required quantities* had been purchased. It was added that further purchases would be made after calling for quotations. On 14th July 1954, the Chief Engineer conveyed his approval to the proposal to refund the earnest money. The earnest money had already been refunded on 30th June 1954 with a remark on the refund bill that the deposit was refunded as supply was completed. But purchases were continued to be made from Sri A. K. Ahmed as well as from other suppliers at the old tendered rates. The value of purchases made from 22nd June 1954 to 16th March 1955 is about Rs. 24,500. These purchases were made without calling for quotations or tenders.*

93. On 21st June 1954, the Special Engineer made a second report of his requirement of centering material. He estimated the requirement as 1,00,000 sq.ft. on the footing that the planks could be used four times while in the earlier report he had stated that they could be used six times. Out of this, 25 per cent was said to be steel centering and the balance was wood centering. For 75,000 Sq. ft. the quantity of planks was estimated at 10,000 c.ft. It was further stated that 7,000 c.ft. of planks, 5,500 c.ft. of scantlings and 85,000 R.ft. of reepers had been purchased. These figures are inconsistent with his statement dated 18th October 1954, already referred

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* Annexure XLIX, Vol. III.

† Annexure L, Vol. No. III.

to. He had already made purchases far in excess of these quantities. In this report, he sought sanction to make purchases approximately costing Rs. 1,11,000 as under :—

Planks	.. ..	10,000 Cft.
Scantlings	.. ..	10,000 Cft.
Reepers	.. ..	1,50,000 Rft.

This report was returned to the Special Engineer to clarify his requirement by a statement in a tabular form. This was not done. After several reminders, the Special Engineer sent a statement of purchases with a forwarding letter on 18th October 1954.* The statements made in para (*b*) of the letter are not correct ; nor is the explanation for making purchases from Messrs. B. Kempiah Sons & Co. No approval was sought to make purchases from this firm. As already pointed out, there is nothing on record to show that the purchases from Kempiah Sons & Co., had to be made because the other firms had no ready stock.

94. The Chief Engineer was not satisfied with this letter and asked the Special Engineer to reconcile the discrepancies already referred to. He was pointedly asked to explain how the cost of the required centering material came to Rs. 1,11,000 as against the previously reported cost of Rs. 50,000. His explanation dated 31st January 1955 is a substantial repetition of his letter dated 18th October 1954.

95. The Chief Engineer thereafter pointed out that the whole procedure adopted by the Special Engineer was irregular, that no definite principle seemed to have been followed in making purchases and that orders of competent authority were not obtained for the deviations. The matter was allowed to rest at that.

96. In March 1955, the Special Engineer called for quotations for the supply of 4,000 C.ft. planks, 4,000 C.ft. scantlings and 50,000 R.ft. reepers. The lowest quotation was of Messrs. Kempiah Sons & Co. Purchases of planks and scantlings from him were approved by the Chief Engineer on 20th April 1955. In spite of this, purchases were made from other persons at higher rates. This has resulted in the extra cost of Rs. 470.†

97. By his letter dated 12th April 1955, the Special Engineer requested the Chief Engineer to obtain sanction of Government for purchase of the following materials :—

	Rs.
14,000 C.ft. planks at Rs. 5-8-0 ..	77,000
14,000 C.ft. scantlings at Rs. 5 ..	70,000
2,00,000 R.ft. reepers at Rs. 36 ..	7,200
	1,54,200
(in round figures)	1,55,000

It was said that it had become necessary to purchase this material.

98. On 9th June 1955, the Chief Engineer moved the Government to communicate sanction to the purchase of the material at a cost of Rs. 1,55,000 from local market ; and did not report to Government the several irregularities in these purchases.

99. It must be said that the Chief Engineer has acted merely as a post-office and has not scrutinized the requirements of the Special Engineer. Although the scantlings and reepers were purchased at lower rates, sanction was sought for purchases at higher rates. No scrutiny of quantities was made.

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* Annexure L, Vol. III.

† Annexure LI, Vol. III.

100. On 18th June 1955, the Government asked the Special Engineer to supply information on the following points :—

(1) How will the material be used after the building is completed ?

(2) What would be the probable value, if any, of the material after completion of the building ? and

(3) What are the rates quoted by the Forest Department for materials of similar naure ?

A copy of this was forwarded to the Chief Engineer, for information.

101. The reply of the Special Engineer is dated 22nd July 1955. He reported that the material would be absolutely unfit for any use, as it would be used several times on all the sections and that such useless material would be offered to the public for use as fuel. It was added that the Forest Department had not quoted for supply of these materials. As a matter of fact, the Forest Department was never asked to quote for these materials.

102. On 10th August 1955, the Government asked the Chief Engineer to furnish the following information :—

(1) Why were not quotations obtained from the Forest Department ?

(2) In the absence of quotations from the Forest Department, how is it said that alternative sources proved more favourable ?

(3) Were the materials obtained from Messrs. B. Kempiah Sons & Co., secondhand stuff ?

(4) If so, was the price correspondingly reduced ?

(5) Why were not fresh tenders called for when the successful tenderer was found unable to supply ?

On 31st August 1955, the Chief Engineer forwarded a copy to the Special Engineer for furnishing the necessary replies.

103. After several reminders, the Special Engineer sent a reply on 11th May 1956 in which he stated that it was ascertained that Forest Department could not supply these planks and scantlings and no quotations were received from that Department, and that the materials obtained from Kempiah Sons & Co., were according to standard specifications and consequently the question of price reduction did not arise. It was not stated that they were not second-hand stuff. It was stated that fresh tenders were called as and when necessity arose.

104. As already pointed out, there is no correspondence with the Forest Department on this subject. No attempt was made to see if supplies could be obtained from the Forest Department on more favourable terms. The Special Engineer evaded to reply the question whether the material purchased from Kempiah Sons & Co., was second-hand. It is also not correct to state that all the formalities were observed before resorting to local purchase.

105. In June 1955, tenders were called by a Gazetted notification for certain quantities. Seven thousand six hundred and fifty-three c.ft. of planks were purchased as against 4,000 c.ft. stated in the notification.

106. On 31st October 1955, the Special Engineer made a further proposal to purchase 2,500 c.ft. of planks and 1,500 c.ft of scantlings at a total cost of Rs. 20,000 in addition to the material for which he had asked for sanction. This proposal was approved by the Chief Engineer on 7th December 1955.

107. Without giving a moment's thought to the correctness or otherwise of the replies of the Special Engineer dated 22nd July 1955 and 11th May 1956, the Chief Engineer wrote to Government on 9th June 1956 to sanction the proposals contained in his letter, dated 9th June 1955.

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108. On being asked by Government, the Special Engineer submitted to Government on 4th September 1956, a note and a statement of purchases* showing purchases to the extent of Rs. 1,94,263 up to that date. The purchases amount to only Rs. *1,85,000* to the end of September 1956 as ascertained from the Receipt Register of the Store Keeper and invoices of the suppliers. The details of quantities are given in Statement†. These purchases exceed the sanction asked for by 30,000.

109. As already shown, the statements in para 30 of the note‡, are not correct. The statements about Kempiah Sons & Co., and about the Forest Department need verification. As already pointed out, the Committee could not get any correspondence with the Forest Department on the subject. On 19th September 1956, the Government asked the Chief Engineer to see why these materials were purchased in excess of requirement. That officer merely forwarded the enquiry to the Special Engineer who sent a reply to the Chief Engineer on 1st October 1956 with a copy to Government for information.

110. According to this reply, the centering area for all the R.C.C. work was 9,00,000 sq. ft., out of which 5,00,000 sq. ft., referred to the roof area and the remaining for other work like pillars, lintels, beams, domes, etc. He stated that due to rush of work, it was not possible to use all the planks five or six times as works were being tackled simultaneously. It was stated that "the centering material purchased specially for the ceiling work of the Assembly and Council Halls has been used permanently for the flooring of the cat's way above the ceiling to facilitate inspection and repairs." He further stated that the quantity used for the above work of 9,00,000 was roughly 22,000 c.ft. of planks. The record nowhere shows that any centering material was purchased specially for the ceiling work, nor was sanction of the Government obtained for such purchase.

111. The Committee has got the calculations made and is satisfied that the maximum area for centering work for a floor, beams, sills, lintels, cantilever balconies, chajjas and other miscellaneous works for one floor could not exceed 1,68,000 sq. ft. All this work of a floor could not be and was not done simultaneously. As the Chief Engineer has stated in his evidence :

> "In March 1955, when Rs. 130 lakhs estimate was submitted to my office, there was considerable masonry work, R.C.C. work and cement-concrete incomplete. At some places, the ground floor verandah had not been done, at some places the walls had gone up to second floor level, and in the Assembly and Council Halls, the walls had not gone up to the top level." §

It is, therefore, incorrect to contend that there was any rush of centering work and that such rush justified the purchase of these heavy quantities of the material. The material could easily have been used at least four times. A provision was, therefore, not necessary even at a liberal estimate for more than 1,00,000 sq. ft., *i.e.*, 12,500 c.ft. of planks and other necessary material.

Purchases from Messrs. B. Kempiah Sons & Co.

112. This firm was a contractor of the Accountant General's Office Building. According to the explanation of the Special Engineer, the surplus over the requirements of the firm for the Accountant General's Office Building was sold by it to the Vidhana Soudha.

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* Annexure LII, Vol. III.
† Annexure LIII, Vol. III.
‡ Annexure LIV, Vol. III.
§ Vol. II—Witness No. 3—para 33, page 30.

The purchases from the firm are from 23rd March 1954 and continued up to July 1955. The building work of that office had started in September 1953. The total plinth area of the three storeyed building is 98,500 sq. ft. The maximum requirement of planks for centering in that building must have been about 34,000 s.ft. or 4,500 c.ft. The firm, therefore could not have 6,000 c.ft of planks worth about Rs. 33,000 and other centering material as surplus to be sold. The first sale of 633 c.ft. is about the time of first centering work of that building. It is not unlikely that used material was supplied by the firm to Vidhana Soudha, if supplied at all, at the rates of new material.

113. As against the firm order (No. 305—276, dated 22nd March 1954) for 400 c.ft. planks given to Messrs. B. Kempiah Sons & Co., the firm is stated to have supplied 1,268 c.ft. *i.e.,* 868 c.ft. in excess. This excess material is stated to have been delivered direct to the work-spot in three lots (633 *plus* 146 *plus* 89) and this was done without the knowledge either of the Store-Keeper or the Store Officer. The Special Engineer refused to pay for the alleged excess supply. In spite of this, on 28th April 1954, an indent for 880 c.ft. was issued to cover the excess, said to have been received earlier and payment was made on the bill passed by the Special Engineer.

114. The Committee asked the Special Engineer to make arrangements for verification of the stock of released jungle wood planks. By his letter dated 30th October 1956, he declined to do so for reasons which are not at all convincing. Later, he changed his mind and informed the Committee on 7th November 1956, that he had made arrangements for counting the planks.

115. The report of the counting shows a total stock of 9,097 c.ft. of planks as against the total purchase of 22,531 c.ft.* This note was handed over to the Executive Engineer for his comments. In his written reply, he stated that 2,599 c.ft. were burnt in boilers and 1,512 c.ft were sold through the Store-Keeper. Even if this be correct, the total comes to 13,208 c.ft., leaving a large deficit of 9,323 c.ft. Subsequently, it was brought to the notice of the Committee that 463 c.ft. of planks were issued to Buildings Division, Bangalore, during November 1955 and January 1956. The Store-Keeper has stated that the material that was sold and was taken into his account was not planks but broken pieces of scantlings mixed with about 5 per cent of broken pieces of planks. Thus the net deficit comes to 8,860 c.ft. It is difficult to accept the statement that jungle wood planks were burnt in boilers. The Supervisor, Sub-Division No. 2 who has acknowledged receipt of the material for boilers has not referred to planks but to jungle wood pieces.

116. There is no explanation for this deficit of 8,860 c.ft. of planks. Sri Aval Reddi has stated that he had seen on more than three occasions the centering material being transferred from Vidhana Soudha Lorries. †

117. The explanation of the Special Engineer, dated 1st October 1956 does not account for the deficit. Basis for the calculation of the entire R.C.C. work of the roof area as 5 lakhs sq. ft. and the area of the remaining work such as lintels, pillars, domes, etc., as 4 lakhs sq. ft. has not been stated. It is impossible to believe that all these works were being tackled simultaneously. There were only six mixers in Vidhana Soudha. It was not possible to have the centering of any one floor done entirely at one time so as to require large quantities of centering material. If the material was in fact purchased, it should have remained in stock and 50 per cent of it could not disappear.

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* Annexure LV, Vol. III.

† Vol II—Witness No. 11, Page 52, Para 4.

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118. On 12th November 1956, the Committee had recommended to Government :

(1) that the Special Engineer should be called upon to explain satisfactorily :—
   (*a*) the requirement of this material,
   (*b*) their purchases in fact, and,
   (*c*) that they are actually in stock as released material,
(2) that the purchases so satisfactorily accounted for, should only be sanctioned, and
(3) that for the rest, the Special Engineer should be held personally liable.

The explanation of the Special Engineer is awaited by Government.

119. It was necessary for the Special Engineer to make a definite estimate of the requirements of centering materials for the works and to have further prepared estimates of the yearly or half-yearly requirements and to make purchases accordingly. It is idle to contend that the requirements could not be foreseen and could not be estimated.

120. It is to be noted that the Stores Purchase Committee was not approached for making these huge purchases. One witness has stated that the Division has paid about Re. 1 per c.ft. in excess of the market price. The truth of the statement could not be verified by the Committee. The manner of purchases leaves room for suspicion that purchases were not made at the best possible rates. If the purchases had been made at the lowest possible rate for each variety, considerable saving could have been effected even in the purchases as made.

121. Under these circumstances, it would be necessary to hold a special enquiry and hold liable the person or persons responsible for the deficit.

122. It is also necessary to count the stock of released scantlings and reepers to arrive at the real state of affairs regarding them. The Committee has requested Government to pass necessary orders.

(*d*) Air Conditioning Plant.

123. On 10th September 1953, the Technical Committee merely noted the provision made for forced ventilation and the provision for supply of power for it in the basement floor, and did not come to any decision. A provision of Rupees one lakh made for this and sound reinforcement in the 80 lakhs estimate was deleted by the Special Engineer in the 50 lakhs estimate submitted by him on 6th October 1953 for obtaining the approval of Government.

On 8th November 1954, the Government Architect sent a letter to the Special Engineer enclosing the details of "Air conditioning plant for the Vidhana Soudha," for calling for tenders. He enclosed with it a typed copy of a memorandum received from Messrs. Silica Gel, Ltd., Astoria House, London, on "Installation, Operation and Maintenance Instructions for Air Conditioning Plant, Bangalore, No. 51, Auto Exchange, South India". On 20th December 1954, the Special Engineer sent a notification calling for tenders for publication in the Gazette. A copy of the tender notification is not in the Special Engineer's file. It appears that a copy of this tender notification was sent to three firms of Bangalore, one of Bombay and one of Madras. Some of these firms complained about the inadequacy of the period for submitting the tender. The period was extended to 15th February 1955. A copy of the abstract notification as published is also not in the file.

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124. No record of the proceedings of the opening of tenders is in the file, nor is there any list of the tenders received. There is in the file a comparative statement of tenders signed by the Special Engineer on 28th February 1955. On 28th February 1955, the Technical Committee recommended for approval of Government the lowest tender of Blue Star Engineering Company (Bombay), Ltd. The tender of Steel Construction Company was higher than this by 40 per cent. It further resolved "Pending approval of Government, orders may be placed with the firm for supply of machinery and starting of duct work and erection and servicing of the entire plant". This was outside the powers of the Committee.

125. It is said that a representation, dated 2nd March 1955 was received from Steel Construction Company, Ltd., Bangalore. But that is not in the file. A document which purports to be a carbon copy of a letter, dated 2nd March 1955, was registered in the Office of the Special Engineer as received on 15th April 1955. Its registration No. is 101. It offers to execute the whole or any portion of the order at the rates of the lowest tenderer subject to their terms and conditions. It cannot, therefore, be considered as a tender at all and should have been rejected forthwith.

126. Along with his letter, dated 9th March 1955, the Special Engineer sent to the Chief Engineer a comparative statement of tenders but did not forward the tenders and the alleged representation from the Steel Construction Company, Ltd. They were submitted much later.

127. Without placing the matter before the Technical Committee, it was obviously improper for the Special Engineer to forward to the Chief Engineer for approval of Government, the representation of the Steel Construction Company, Ltd., and their alleged letter, dated 10th February 1955, and to make the following recommendation:

> "This being a local firm, with a view to create healthy competition to enable completion in time, it is proposed to entrust the above work of the Council Hall at a cost of Rs. 52,580 as per specifications and conditions of Messrs. Blue Star Engineering Company of Bombay including free maintenance for one year at their cost."

The period for completion of work had been specified in the tender notification and there was nothing to indicate that Messrs. Blue Star Engineering Company of Bombay was incapable of completing the work within time. There could be no question of any competition, healthy or otherwise, between the two firms. It is not shown that the Bangalore firm was in a position, financially or otherwise, to compete with the other firm. Its quotation was 40 per cent higher than that of the latter firm. This splitting of work, like others, was evidently done with a view to favour this firm. Such splitting takes away the sanctity of the tender system.

128. On 12th March 1955, the Steel Construction Company, Ltd., Bangalore, sent to the Special Engineer their requirements of the galvanised sheets for the work. On this date, the proposal to split the work and to give a portion to this company was not accepted by Government. Still, the Special Engineer wrote to the Iron and Steel Controller, Bhadravati, to make early arrangements for issue of necessary permit for supply of materials to the Steel Construction Company, Ltd.

129. By their letter dated 11th April 1955, the Steel Construction Company, Ltd., informed the Special Engineer that they were sending their engineer Mr. P. A. Edwards to get details of the location of the plant on the basement of the Upper House as desired by the Government Architect, Executive Engineer and the Special Engineer.

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130. On 16th April 1955, the Chief Engineer forwarded the statements, tender recommendation, etc., to the Government for sanction with a copy to the Special Engineer under Memo No. 726, dated 22nd April 1955.

131. On 27th April 1955, the Special Engineer wrote to the Steel Construction Company, Ltd., Bangalore as under:

> "I wish to state that your tender for air conditioning plant for the Upper House of the Assembly Building has been recommended to Government and in the meanwhile, taking this letter as authority for entrusting the work to you, please start the work immediately and execute the necessary mutchalika."

A copy of this was sent to the Chief Engineer for information with reference to his memo No. 726 aforesaid. A similar letter was sent to Messrs. Blue Star Engineering Company (Bombay), Ltd. The Chief Engineer does not appear to have objected to this highly irregular step of the Special Engineer.

132. On 25th April 1955, the Blue Star Engineering Company wrote to the Special Engineer for a confirmed order to enable them to take in hand the work of designing the final duct layout and calculating the quantity of G.I. sheets and M.S. angles, etc., required for the job. This letter bears an endorsement apparently of the Special Engineer that reply was sent on 26th April 1955. A reply of that date is not on the file. Probably it refers to the reply, dated 27th April 1955 already referred to. That letter was acknowledged by the Company on 7th May 1955, thanking the Special Engineer for the advice that their tender had been accepted.

133. The Stores Purchase Committee to whom a reference was made by Government on this subject, strongly objected to the actions of the Special Engineer, pointing out that the purchases should have been made through the Stores Purchase Committee or through the Special Engineer, if he was specially empowered to do so. The Government realized the force of the objections. By their letter, dated 3rd June 1955, the Government informed the Chief Engineer that the Special Engineer was empowered to call for new tenders and accept the most advantageous of the offers in consultation with the Technical Committee of the Vidhana Soudha. The tenders received were returned and a copy of the objections of the Stores Purchase Committee was sent apparently for his guidance.

134. The Chief Engineer sent a reply dated 15th June 1955, in which it was incorrectly stated that the Special Engineer had already followed the procedure laid down by the Government in their letter of 3rd June. It was also pointed out that if fresh tenders were called, there will be further delay in execution of work and will cause legal complications and was not advisable.

135. In view of this representation, the Government accepted the original proposal to give the work to Messrs. Blue Star Engineering Company, Ltd. and Messrs. Steel Construction Company, Ltd.

136. From the record, it does not appear that the Blue Star Engineering Company, Ltd., had started any work by 16th June 1955. They had prepared some ducting plans and the Steel Construction Company had apparently not done anything.

137. There was no legal difficulty. Neither firm could legally claim any compensation from the State on the basis of the letters of the Special Engineer, dated 27th April 1955. He was manifestly acting without authority. If the Chief Engineer had examined the record and made enquiries and had not merely relied on the representation of the Special Engineer, he could easily have seen that there was no legal complication nor any likelihood of unnecessary delay in the execution of the work.

138. These firms executed the agreement sometime in August 1955, and they were allowed time till January 1956 to complete the

work. The work was not complete even in the month of December 1956. No attempt was made to enforce the penalties provided by the contract or to hurry up the work. The Vidhana Soudha Engineers were slow in the execution of their part of the work and the Companies were also not working to schedule.

139. The object of prompt execution of the work was not in view and the Special Engineer went out of his way in writing the letters to these Companies on 27th April 1955, or in dealing with the Steel Construction Company, even earlier, on the footing that their tender had been accepted. The Special Engineer was acting beyond his authority and could be held responsible for any loss caused to Government by his indiscreet acts.

140. In response to the original tender, Messrs. Air Coditioning Corporation, Ltd., of Bombay had submitted their tender in time and by registered post. *This tender was not placed before the Technical Committee on 28th February* 1955. When that Company enquired about the result of its tender, the Special Engineer informed them that the tender was not received. When the acknowledgment of the Head-clerk of the Special Engineer was brought to his notice, the tender was produced and it was said that the tender was unacceptable as it was not the lowest. This is not a fact.

141. The procedure adopted in accepting the tender is not regular. The specifications given in the tender notice were not final. Each tenderer was free to give his own specifications. It was therefore necessary for Air-conditioning Engineers of the Department, if any, to compare the specifications of the several tenders and to decide which were most suited for the Vidhana Soudha. It was then that a comparing of their quotations could have been relevant and proper. The original tender of Voltas, Ltd., though it was for four changes of air per hour, should, therefore, have been examined. That Company also offered to have a plant designed so as to have 8 changes per hour. *Their quotation was definitely lower than that of Blue Star Engineering Company.* If the work could be entrusted to Steel Construction Company, Ltd., on the basis of the tender given by Blue Star Engineering Company though their own tender was abnormally high, there was no logic in summarily brushing aside the tender of Voltas, Ltd.

142. After obtaining Government sanction on 28th June 1955 to allot the work of the Lower House to Blue Star Engineering Company for Rs. 1,01,200, and of the Upper House to Steel Construction Company, Ltd., for Rs. 52,580, the Special Engineer asked for increase of the price of the former by Rs. 3,940 on the ground, "while approving their tender the cost of air filter equipment for Assembly Hall, *i.e.,* Rs. 3,940 has been left out." The suggestion, apparently, is that it was left out by Government while according sanction. This is not so. The air filter for the Upper House was not shown in the comparative statement, dated 7th March 1955, submitted to Government; nor is it to be found in the comparative statement, dated 28th February 1955 submitted to the Technical Committee. This is at least a case of gross carelessness. If the comparative statement had been prepared by the Special Engineer with the necessary care, this loss to Government could have been avoided. The real total of the tender of the Blue Star Engineering Company was Rs. 1,57,720, while that of Voltas Rs. 1,49,250. Thus, there is a loss of about Rs. 8,500 to Government which could easily have been avoided.

143. The last point for consideration is whether this forced ventilation equipment was at all necessary for Vidhana Soudha. The Secretary, Mysore Legislature, has informed the Committee that the sessions of the Legislature are ordinarily held twice: February-

April and September-October. The Meteorological Officer, Hindustan Airport, Bangalore, has informed the Committee that the mean daily maximum and minimum temperatures in March are 90.3 degrees and 64.5 degrees, respectively. The mean air temperatures at 8 A.M. and 5 P.M. are 71.8 degrees and 87.8 degrees, respectively in March. The corresponding temperatures for April are 92.5 degrees, 69.1 degrees, 75.1 degrees and 87.1 degrees.

144. Sri C. H. Kent, Professor of Mechanical Engineering, in the Indian Institute of Science, Bangalore, has given the following opinion upon the necessity of air conditioning in the Vidhana Soudha:

> "I have stated that based upon my 3 years' experience in climate of Bangalore, I do not consider artificial cooling required for an Assembly House in this climate. Considering that ventilation fans must supply air to the Assembly space, this would need to have been only 1/6th of the capacity of the present fans. The use of the ordinary ceiling fans coupled with required fresh air inlets could certainly have met the ventilation standards for the hall and probably provided sufficient comforts for those short intervals when temperatures in Bangalore rise above the accepted standard of 85°."

145. Even if there be some necessity of artificial cooling in Bangalore, in the month of April, that could easily have been achieved in Vidhana Soudha by having adequate number of pedestal or wall fans. The Committee is, therefore, of the view that the expenditure on forced ventilation was unnecessary. In any case, the capacity for ventilation should have been one-sixth of the present equipment and that would have saved about Rupees one lakh.

146. The authorities intend to maintain temperature of the Halls between 70 degrees to 80 degrees F. and humidity between 50 to 60 per cent during winter. How this is possible without a heating plant, it is difficult to see, and the necessity for heating in Bangalore is still more difficult to appreciate.

147. The Committee would like to point out one more thing. With his letter No. 3634—V.S., dated 17th September 1956, the Special Engineer forwarded to the Committee a copy of the comparative statement of six tenders submitted to the Chief Engineer for approval of Government, while the original statement forwarded to the Chief Engineer on 9th March 1956, contains only five tenders. The tender of Air Conditioning Corporation, which was not placed before the Technical Committee and which was evidently not traceable on 9th March 1956 (para 140 *infra*) was included in the copy supplied to the Committee. This is regrettable. This has necessitated verification of all communications received from the Special Engineer.

(*e*) Sound Reinforcement System.

148. On 10th September 1953, the Technical Committee passed the following resolution:—

> "It was decided to divide the Assembly and Council Halls into a number of sections, each section being provided with a mike that could pick up sound emanating from every part of the section. Each member or every two members shall be provided with a speaker attached to the rear of his or their seats. The amplifying arrangement should be such that the outcoming volume of the speaker is constant whatever variation may be in the volume of the human voice. The chambers of the Ministers and the Speaker are also to be connected with the sound system to both the Council and Assembly Halls, so that they might hear the proceedings from their chambers as well. The sound system shall be extended to the dining hall and the members' lounges to facilitate members in hearing the proceedings."

149. At a subsequent meeting held on 29th September 1953, the Chief Minister expressed that the sound system need not be extended to the lounges, that proposals be made for individual loud speakers (Re-producers as in the Assembly Hall at Delhi) and that the subject of having electrical system of voting will be considered later.

150. In spite of this, the provision of Rs. One lakh made for the equipment in Rs. 80-lakh estimate was deleted in the estimate of Rs. 50 lakhs submitted by the Special Engineer on 6th October 1953 and sanctioned by Government on 9th June 1954.

151. A provision for Rs. 1,67,000 was made for the sound reinforcement equipment in the estimate of Rs. 12,15,400 for electrical equipment. Government directed a reduction of the estimate. A provision for Rs. 95,541 for this equipment was then made in the modified Rs. 8.15-lakh electrical estimate, which was sanctioned by Government on 29th December 1954. This estimate was included in the Rs. 130-lakh estimate sanctioned in September 1955. In the estimate for Rs. 95,541, provision was made at the prevailing market rates for 71 microphones and 110 loud-speakers for the Lower House, 31 microphones and 54 loud-speakers for the Upper House, and for separate loud-speakers and microphones for the Ministers. For the members, one microphone and one loud-speaker were provided for a bench of two seats. Single seats were also provided with them. Loud-speakers were provided for Press and Visitors Galleries.* On 14th December 1954, the Technical Committee suggested that dual language system may be adopted. But a revised estimate for such equipment was not prepared ; nor was Government sanction obtained for it.

152. On 8th June 1955, a draft tender notification with detailed specifications of the equipment was submitted by the Superintendent, Bangalore Power and Lighting, to the Chief Electrical Engineer with a request to move the Government *for sanction to make the purchase without reference to the Stores Purchase Committee.* According to Shri S. V. Rama Rao, the sanctioned estimate of Rs. 95,541 was sufficient for the single language requirement of both the Houses.† This estimate was not adhered to. The draft provided for inviting tenders for single language and dual language equipment.

153. The proposal to purchase the equipment without reference to the Stores Purchase Committee was turned down by Government towards the end of July 1955. Without submitting the specifications for the approval of the Technical Committee at any time, the Chief Electrical Engineer placed an indent for the equipment with the Stores Purchase Committee on 1st August 1955, though the specifications were materially different from those in the sanctioned estimate. In spite of the Government Order, the Superintendent submitted to the Technical Committee held on 8th August 1955, that calling for quotations through the Stores Purchase Committee would involve a delay of three months. He admitted before us that he had brought the order to the notice of the Committee. The Committee suggested that the Stores Purchase Committee may be requested to call for short-time enquiry from ready stocks fixing a time-limit of one month at a maximum. The members of the Technical Committee should have known that it was impossible to get this equipment from ready stocks.

154. The tenders received on 5th November 1955, were placed before the Technical Committee on 29th November 1955. It appointed a Sub-Committee of the Special Engineer, the Government

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* Witness No. 8, paras 3 and 7, Vol. II, pages 44-45.

† *Ibid.* Para 9, page 45.

Architect and the Superintendent, Bangalore Power and Lighting, to study the quotations and report. This report * was accepted on 9th January 1956 and the order was placed on 13th January 1956. The agreement was executed on 14th March 1956.

155. Out of the five firms that had tendered, three had quoted only for the equipment. Therefore, the sub-committee examined the tenders of the other two—Messrs. Union Radio & Appliances Ltd., New Delhi, and Messrs. Chopra Radio Electric Co., Bombay who had tendered for equipment and installation. Their quotations for dual language sound interpretation system are :

Items in the Tender Notification	*Lower House*		*Upper House*	
	Union Radio	*Chopra Radio*	*Union Radio*	*Chopra Radio*
(*a*) Individual items such as microphones, loudspeakers items 1 to 6	Rs. a. 78,426 7	Rs. a. 35,355 8	Rs. a. 57,266 7	Rs. a. 31,205 8
(*b*) Main Rack Assembly equipment items 7 to 10 ..	33,129 3	13,787 0	29,348 0	14,083 4
(*c*) Installation items 11 to 12..	29,860 0	28,290 8	21,210 0	17,673 0
Total ..	1,41,415 10	77,433 0	1,07,824 7	62,961 12
(*d*) Tape Recorder item 13	(1) 21,550 0	(3) 4,134 0	(1) 21,550 0	(3) 4,134 0
(*e*) Record Player item 14 ..	190 0	212 0	190 0	212 0
(*f*) Recommended spares and accessories	2,300 0	3,000 0	2,300 0	3,000 0
(*g*) Tools & testing instruments as per list	4,903 8		4,903 8	
(*h*) Drawings, Instructions (*f*) to (*h*)—item 15 ..	483 0	..	483 0	..
Grand Total ..	1,70,842 2	84,779 0	1,37,250 15	70,308 12

The order for tape recorder was not placed with Messrs. Union Radio. The item of record player is insignificant and the difference is small. As regards the spares, accessories, tools and testing instruments, individual items according to requirement had to be purchased. Absence of list of these in the tender of Messrs. Chopra Radio is not a material point against the firm. The quotations to be considered are therefore for items (a) to (c) only.

156. The sub-committee rejected the tender of Messrs. Chopra Radio on the following grounds :

(*a*) The firm had not quoted for Public Address System.

(*b*) The firm had designed the equipment for translation of only one language, while the other tenderer had provided for two.

(*c*) Micro arrangements are manually operated as against the automatic arrangement by Relay System provided by the other firm.

(*d*) The firm had omitted to provide loud speakers fixed at the back of the seats but had provided for ear-phones in addition to head phones which were not required.

(*e*) The quotation does not include the price of equipment designed to take an increased load of additional 50 per cent microphones and 50 per cent loud speakers.

For this, the firm is said to have quoted separately Rs. 7,930 for the Lower House and Rs. 4,705 for the Upper House.

It was stated that under the above heads, there would be an additional cost of about Rs. 57,835 for the Lower House and Rs. 37,970 for the Upper House in addition to the quoted figure of Rs. 84,779 and Rs. 70,308 respectively. According to the Sub-Committee, the total cost of the equipment of Messrs. Chopra Radio would be Rs. 2,53,000, as against Rs. 2,55,000 of Messrs. Union Radio and Appliances Ltd., for the same equipment.

* Annexure LVI, Vol. III.

157. The Sub-Committee rejected the quotation of Messrs. Chopra Radio with the following observations:

> "..... the firm is not in a position to quote a single instance in which this equipment has been installed anywhere in India as required in para 16 of our specifications. The firm have not got the reputation of having executed similar works using this equipment and so this will be the first of its kind and it is not advisable to experiment on a system of equipment of which we have no knowledge and specially for being installed in an important building like Vidhana Soudha."

158. The Union Radio and Appliances, who had quoted for the equipment manufactured by Messrs. Tannoy, Ltd., London, stated that it had been very successfully installed in the Loka Sabha at New Delhi and the Assembly Hall at Trivandrum. They further stated that both the Houses of Parliament and Church House in London were fully equipped with Tannoy debating system. A Tannoy multi-language simultaneous interpretation system was supplied and installed for the United Nations General Assembly Sessions held in Paris in 1952. Tannoy was entrusted with the design and installation of a Speech Reinforcement System with special debating facilities in the Houses of Commons chamber, Ottawa, Canada. Tannoy supplied multi-language interpretation equipment for the new United Nations Building in New York. Messrs. Chopra Radio stated that their equipment was known all the world over for over half a century and has been used successfully in the United Nations as well as in Parliament Houses of other countries. Beyond the bare statement of these two competing firms, the department does not seem to have any basis for the statement that the acceptance of the tender of Messrs. Chopra Radio would be experimenting on an unknown system of equipment.

159. Let us examine the other objections *seriatim*. Having decided to purchase a dual language system, the omission of the firm to quote for Public Address System, could not be a point against it. As regards (*b*), (*c*) and (*d*), there is nothing in the tenders to support these statements. According to the telegram and the full quotations against items 7 and 8, the quotation of Chopra Radio does provide for dual language interpretation with automatic micro arrangements. It does not provide for earphones in addition to headphones. It does provide for loudspeakers for Offices and Chambers. Instead of loudspeakers in the Halls, provision was made for earphones and selector units, which serve the purpose of loudspeakers. If loudspeakers were imperative, the firm could have been asked to provide them. The additional cost would have been about 1,000. As regards the place of fixing the loudspeakers, both the tenders are silent. Anyway, the firm could have been asked to fix the loudspeakers at the places desired; and clarification of the other points, if at all necessary, could easily be sought before coming to a decision. There was no hurry. The firm had offered to send their local agent Messrs. Dikson and Brothers and their Engineer to offer such clarification as may be required.

160. There is nothing in the tender of Messrs. Chopra Radio to warrant objection (e) and their demand for any additional amounts. Both the quotations are silent on the point.

161. It is to be remembered that the quotations of Messrs. Chopra Radio were cheaper than those of the other firm by Rs. 1,08,845 for items 1 to 12 (*See* para 155 *infra*). The tenders should not have been disposed of in the summary manner adopted by the Department when a saving of Rs. 1.09 lakhs was involved. Messrs. Union Radio and Appliances had quoted delivery time as five to six months from the date of receipt of the order and import licence and installation within 45 days of the arrival of the equipment at site. The equipment was to be installed after the Halls were

otherwise ready for occupation. The Halls were not likely to be ready till 1st November 1956. There was thus a year's time for obtaining the equipment and completing installation. There was therefore no justification for rushing to purchase the equipment before the question of installation of a dual language interpretation system had been decided by Government.

162. The Sub-Committee has stated that additional equipment costing Rs. 1,03,000 (Rs. 59,700 plus Rs. 43,300) was necessary to bring up the equipment tendered by Messrs. Chopra Radio to the fullness of the other equipment. The details as given in the comparative statement are :

	Lower House	*Upper House*
	Rs.	Rs.
1. Single Language translation facility to twin ..	10,000	8,000
2. Loud speaker not provided	11,200	4,800
3. Testing Instruments not provided ..	4,000	4,000
4. Automatic servicing of Mike not provided ..	5,000	3,000
5. Rack equipment and accessories for dual language	10,000	9,000
6. Fifty per cent overload capacity of the sound equipment not provided	10,000	7,500
7. Wiring and other accessories	7,500	5,000
8. Extra for Installation and Servicing the above equipment	2,000	2,000
	59,700	43,300

All this appears to be a highly exaggerated guess-work. Inclusion of item No. 4 above was wholly unjustified. Excluding this and adding the other items as shown above as they are, the quotation of Chopra Radios would still be lower by Rs. 15,000. The statement of the Sub-Committee that the difference is only Rs. 2,000 is not correct. The firm could at any rate have been asked to state whether their equipment was deficient in these particulars, and, if so, to quote the prices of different items. There is no reason why this was not done.

163. Even if it is assumed that the equipment quoted by Messrs. Chopra Radio was only for single language interpretation system, the question should have been referred to Government to decide whether they would like to prefer single language interpretation system and save Rs. 1.09 lakhs. Mysore being a unilingual State, interpretation of other languages into Kannada alone was necessary. From the report of the Sub-Committee,* it is evident that the difference of cost between dual language equipment and a public address sound reinforcement equipment is not more than Rs. 25,000. The maximum amount to bring the quotation of Messrs. Chopra Radio to the level of the other firm could not thus have been more than Rs. 50,000.

164. The attempt to bypass the Stores Purchase Committee and the attempt to obtain the tenders without ascertaining from the appropriate authority the precise requirement of the two Halls, and without obtaining Government sanction, are really deplorable. The Technical Committee should not have delegated its function to a Sub-Committee and merely okayed their recommendation. There was no finality of requirements even when the order was placed or when the agreement was executed two months later. The way the matter was handled in utter disregard of financial considerations is indeed astounding. Taking everything into consideration, it is legitimate to draw the inference that it was decided to purchase the equipment from Messrs. Union Radio and Appliances, and reasons were being found to support the decision.

* Annexure LVI—Vol. III.

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165. The agreement with Messrs. Union Radio and Appliances is dated 14th March 1956. Under it, the supplier was to deposit Rs. 11,530 as earnest money forthwith. The delivery of the equipment was to be effected before 15th June 1956, and the entire installation was to be completed and the equipment commissioned into service before August 1956, or earlier, if possible. For non-supply of the materials, wholly or partly, according to the terms of the contract, or for non-performance or non-supply in time or supplying materials which do not conform to the specifications, etc, the purchaser reserved the right of cancelling the order either fully or partially. In the event of non-supply according to the delivery time prescribed by the contract or in case of rejection of goods not fulfilling the required specifications, the security deposit shall be forfeited to the purchaser, and the purchaser shall have the right to levy a penalty of a sum equal to 3 per cent of the value of the order as liquidated damages. It was further provided that the conditions stipulated in the Stores Purchase Committee Enquiry shall form part of the agreement. The purchaser had agreed to open a letter of credit under which 90 per cent of the value of the equipment was to be payable to the supplier on confirmation by their bankers that shipping documents and invoices had been received by them. The balance of 10 per cent was to be paid after satisfactory installation and commissioning of the equipment. As regards the cost of installation and wiring charges, it was provided that 50 per cent shall be paid once every fortnight according to work done and the balance after satisfactory installation and commissioning of the equipment. No time was fixed for opening the letter of credit. It must therefore be presumed that it was to be opened when the supplier was ready to ship the equipment to India.

166. The supplier did not make the deposit. Instead, on 28th June 1956, he furnished a bank guarantee which was accepted. The supplier did not even commence laying of the conduit pipes, wiring, etc., before 15th June 1956. He was not ready to ship the equipment before that date. He had thus committed a breach of contract. On 30th July 1956, he applied to the Stores Purchase Committee for extension of the delivery time of the equipment to 15th October 1956 and for installation and commissioning of the equipment to 15th November 1956. This was accepted by the Stores Purchase Committee on 3rd August 1956. The letter of credit for 90 per cent of the value was opened on 14th August 1956 and was to be valid till 15th October 1956. This letter of credit was accepted by the supplier without any objection.

167. No part of the equipment was shipped before 15th October 1956. Only a portion of the equipment costing Rs. 38,526 was shipped on 19th October 1956, as stated in the letter of the supplier dated 9th November 1956.

168. The terms of the agreement reduced to writing cannot be interpreted by reference either to the previous or subsequent correspondence. There was no agreement that the supplier will establish letters of credit with the manufacturer after Government had opened a letter of credit in favour of the supplier. This stand taken by the supplier in his letter dated 13th July 1956, is not warranted by the agreement and in the premises, must be ignored.

169. Since the supplier failed to present shipping documents as regards the entire equipment before 15th October 1956, he has manifestly committed a breach of the contract which entitled the Department to cancel the contract, forfeit the security deposit and claim damages.

170. In these circumstances, the Committee feels that it is open to the Government to re-examine the question of the purchase of the equipment from Messrs. Union Radio and Appliances and enter into

a just and equitable bargain with the firm taking into account their requirements and to cancel the rest under C 14 of the agreement. It is also necessary to scrutinise the requirements.

171. It is to be noticed that the Chief Electrical Engineer did not obtain sanction of Government before incurring this heavy expenditure. It was incurred without even ascertaining the precise requirements from the Secretary, Mysore Legislature. No doubt, the Chief Minister had directed the Chief Electrical Engineer to make provision for 200 members in the Lower House and 100 members in the Upper House. But that did not prevent the Chief Electrical Engineer from obtaining the necessary requirements from the Secretary, Mysore Legislature.

172. The mode of payment now agreed to by the Officer is to pay 90 per cent against shipping documents. As appears from the record, the clearing charges including custom duty would be about 44 per cent of the cost of the equipment. On getting shipping documents, the buyer will have to pay the clearing charges and customs duty in the first instance. Therefore, there should have been an agreement to deduct these charges from the 90 per cent payment.

173. Ordinarily, Government should not ratify this extremely objectionable procedure by according sanction. There are no extraordinary circumstances. The Finance Secretary had suggested deferring of this expenditure in the present difficult financial position of the State.

15 (*f*) Purchase of Lifts.

174. According to the Chief Engineer Sri K. S. Gangadhara, the Minister for Public Works Department had warned him that the expenditure on the Vidhana Soudha project must be limited to Rs. 50 lakhs. At his instance, the estimate of Rs. 80 lakhs was cut down by the Special Engineer to Rs. 50 lakhs. He did so arbitrarily by deleting the provision for essential services like water supply, sanitary fittings, electric fittings and other necessary items and by reducing rates. The provision of Rs. 2 lakhs made for four electric lifts was also deleted, *though on 29th September 1953, the Chief Minister had directed that immediate action be taken for placing orders for the lifts.* The modified estimate of Rs. 50 lakhs was submitted by the Special Engineer to the Superintending Engineer on 6th October 1953.

175. Though the Special Engineer deliberately omitted the provision for lifts in this modified estimate, he continued to take steps to purchase five lifts including a goods lift. He justified this conduct on the ground that the lifts were essential.* On 10th November 1953, he requested the Stores Purchase Committee to call for tenders for five lifts informing it that sufficient money had been *provided in the budget to meet the cost of the lifts and that the grant would lapse unless immediate action was taken.* The budget grant could not be used to purchase the lifts in the absence of an estimate and a specific sanction. Still, the Stores Purchase Committee complied with the request.

176. On coming to know of this move, both the Chief Electrical Engineer and the Superintendent, Bangalore Power and Lighting, pointed out to the Special Engineer that the specifications and the enquiries will have to be handled by the Electrical Department. On 25th January 1954, the Special Engineer informed the Chief Electrical Engineer that it was not necessary to do so, and on the same day sent the proof of the tender notification for printing. A copy of this letter was sent to the Chief Engineer for information. The Chief Engineer noted thereon :

"Better refer to C.E.E."

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* Vol. II, Witness No. 2, page 22, para 123.

and returned the letter for necessary compliance. The Special Engineer did not comply with this direction. He wrote to the Chief Engineer to direct the Chief Electrical Engineer to withdraw his statement,

> " that the specifications should be drawn up by the Electrical Department, as anybody else in the Committee is not competent to do this work."

The Chief Engineer did not agree with this and directed the Special Engineer on 29th April 1954 to request the Chief Electrical Engineer for finalizing and intimating the specifications for the lifts.

177. In the meanwhile, tender notification was issued by the Stores Purchase Committee and the tenders received by it were forwarded to the Special Engineer on 16th April 1954. On 28th May 1954, the Technical Committee " decided to accept " the tender of Messrs. Larsen and Toubro, Bombay, who have an office at Bangalore, on the conditions that the supply of equipment shall reach the spot within six months of the order with a penalty of Rs. 100 per day of delay after the due date and that the Company shall provide adequate organization for prompt service in case of breakdown for a period of 12 months with a penalty for delay in providing such service of Rs. 50 per day. On 31st May 1954, the Special Engineer requested the Stores Purchase Committee to place order with the firm.

178. The order was accordingly placed for the supply and erection of four passenger lifts and one goods lift at a total cost of Rs. 1,21,420 *vide* local indent No. 14,490, dated 25th June 1954. The Stores Purchase Committee did not ask the Special Engineer to certify the sanction for the purchase or the provision for its payment. Rs. 50-lakh estimate which was sanctioned on 9th June 1954 did not provide for lifts. Consequently, the Special Engineer could not move the Chief Engineer to obtain Government sanction.

179. On 11th August 1954, the Special Engineer forwarded to the Chief Engineer for Government sanction, the so-called abstract estimate for Rs. 120 lakhs, in which a provision for Rs. 2.50 lakhs was made for five lifts, though the Special Engineer knew at that time that the cost would not be more than Rs. 1.6 lakhs at the outside. On 16th August 1954, he requested the Chief Engineer to obtain Government sanction for the purchase, stating that provision had been made for it in the Rs. 120 lakhs estimate.

180. Soon thereafter, the Special Engineer appears to have decided to have the lifts on the north, south and west extended to serve the third floor and started enquiries about the additional cost. When the tenders were called and scrutinised, the third floor had been decided upon; but the proposal to extend the lifts to the third floor was not then made.

181. On 21st October 1954, the Chief Engineer wrote to Government to convey sanction to the purchase dated 25th June 1954 adding that a provision of Rs. 2.50 lakhs was made for it in the " comprehensive estimate for Rs. 120 lakhs ". The estimate of Rs. 120 lakhs was not comprehensive and was not then before the Government for sanction. The Chief Engineer did not point out that the order was already placed with the firm. On 5th January 1955, Government accorded sanction for purchase of four passenger and one goods lifts.

182. On 19th March 1955, the Special Engineer placed an order with the firm to extend the lifts to the third floor at a total cost of Rs. 17,345 and sent a copy to the Chief Engineer with a request to obtain Government sanction. On 16th April 1955, the Chief

Engineer forwarded this proposal to Government, evidently without any scrutiny. He did not even comment on the unauthorised acts of the Special Engineer in placing orders for the extension without Government sanction.

183. On 28th June 1955, the Special Engineer placed another order with the firm to convert all the landing and car doors into two leaves at a cost of Rs. 3,360 and sent a copy to Chief Engineer with a request to obtain Government sanction. On 21st July 1955, the Chief Engineer forwarded the proposal to Government.

184. Both these proposals were sanctioned on 5th October 1955. Government did not question the manner in which all this was done and the actions of the Special Engineer which were manifestly without any authority.

185. On 31st August 1955, the Special Engineer made enquiries from the firm for the additional cost for raising two lifts to the terrace floor. After some correspondence, the Special Engineer placed the order for raising two lifts to the terrace floor at a total cost of Rs. 17,800 *plus* sales-tax and other taxes. This was sometime in February 1956. The file of the Special Engineer does not show that he wrote to the Chief Engineer to obtain Government sanction for this additional expenditure.

186. Thus the total cost for these lifts comes to Rs. 1,59,925 *plus* sales-tax and other taxes.

187. Out of the four passenger lifts, the carrying capacity of two is said to be 10 persons and of the other two 16 persons. One such lift of 10 persons provided for the Accountant General's Office Building by the same firm was seen by us. It can conveniently carry only six passengers besides the lift-operator. With some difficulty, it can carry one more passenger.

188. The contract price of a ten-person lift for Vidhana Soudha to serve three stops including the ground-floor for a lifting height of 31 feet was Rs. 24,980 inclusive of erection charges. When an order for such a lift with identical specification was placed for the Accountant General's Office for the same price, the firm demanded Rs. 657 extra, because the lifting height was shown as 42 feet 6 inches. When the correct lifting height of 28 feet 6 inches was communicated to the firm, it reduced the price of Rs. 24,980 by Rs. 140. Thus the extra charge per foot of lifting height works out at Rs. 56 when the price was reduced by Rs. 140 and at Rs. 57 to extend the lift to 42 feet 6 inches. Thus to extend the lift to one more floor of 14 feet, the additional cost would be Rs. 798 *plus* the cost of a two-leaves door which should be about Rs. 500 making a total of Rs. 1,298. In fact, the difference in price between a 3-stop and 4-stop lift of 10 persons quoted in the tender of the firm is only Rs. 1,060. The additional price for a two-leaf door is only 160. Total Rs. 1,220. The Special Engineer did not care to examine how the firm was entitled to Rs. 17,345 for extending three lifts by one floor and to Rs. 17,800 for raising two lifts to a further one floor.

189. The height of 8 feet lift-cabins provided in the tender notification and in the tender of the firm was allowed to be reduced to 7 feet without any consequent reduction in price. When this was pointed out by the Accountant General, the explanation of the Special Engineer dated 18th February 1956, was, that the change was unsubstantial and only in a small part of the equipment. It was added that *the firm would be paid reduced price for the reduced height.* This reduction was not even referred to when the Special Engineer agreed to the change in specification ; nor was any deduction made from payments made to the firm subsequently ; nor was it taken into consideration in placing orders for extensions of the

lifts or in placing orders for conversion of the doors into two-leave doors. *It, therefore, appears that the explanation was given merely to silence the Accountant General.* The Special Engineer was not able to give any satisfactory explanation as regards the true cost of the extensions.

190. There was no planning. It was physically impossible that the shafts could be ready for erection of the lifts by the end of December 1954. Besides the constructional work, steel enclosures and panelling work had to be done. Quotations for steel enclosures were called as late as July 1955. If the Special Engineer had left the matter at the hands of the Electrical Department, it is likely that there would have been proper detailed estimates and detailed specifications for the tender notification and that the work would have been executed more economically. As appears from the record, the Civil Engineering work was not ready for quite a long time, and it caused delay in the erection of lifts. They were not ready for use even on 1st November 1956.

191. At no stage, a detailed estimate was made of the cost of these lifts and their erection. Besides the cost of lifts and erection charges, cages for the lifts and other civil work had to be done. If a detailed estimate had been prepared, the Special Engineer would have known the cost of the other material and could have made arrangements for their purchase in time.

192. It appears that there could easily have been a saving of at least Rs. 20,000, if the order for all the floors had been placed in the first instance. The firm had also pointed out that the additional cost could have been largely saved if the original order had been for all the floors. This loss is due to want of planning and indifference of the Special Engineer as to cost. The matter should have been thoroughly examined before issuing the tender notification. The Government has been not only in this but in several other cases a mute ratifier of acts of persons in authority who have not acted diligently in the discharge of their duties. One fails to understand how tenders could be called before the Government had taken a decision on the services to be rendered or had made provision for it, and how the lift could be purchased without prior Government sanction when the provision for lifts was designedly deleted from the estimate submitted for sanction.

(*g*) Purchase of Casurina Poles.

193. Casurina poles were required from the very early stages of the work. The requirements should have been planned; and after obtaining Government sanction they should have been purchased. Without any estimate, without any sanction and without calling for quotations,* the Special Engineer purchased about 100 tons in small quantities from August to October 1953 at rates varying from Rs. 39 to Rs. 44 per ton.

194. By Gazette Notification dated 27th October 1953, tenders were invited for the supply of 1,000 tons of casurina poles. The lowest tender of Shri Hanumantharayappa at Rs. 37 per ton was accepted. He made a security deposit of Rs. 2,000 and executed an agreement on 23rd November 1953 for the supply of 1,000 tons. On 24th November 1953, an order for 100 tons only was placed with him. When he asked for a further order, a second order for 100 tons was placed with him on 27th December 1953.

* Papers about calling for quotations are not found.

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195. On 30th November 1953, an order was placed with Shri R. Shankarappa for supply of 30 tons at Rs. 41 per ton, said to be the old rate. On 12th March 1954, another order was placed with him for 200 tons at Rs. 39 per ton. The total purchases from the tendered contractor till the end of September 1954 were only about 600 tons, while during this period, purchases from Shri R. Shankarappa were 900 tons and from others about 200 tons.* There was no agreement with these persons; nor had they made any security deposit.

196. On 15th March 1954, the Special Engineer had written to the Chief Engineer for approval to purchase at Rs. 39, 400 tons from Shri R. Shankarappa and 80 tons from Shri Doddabyrappa on the ground that the contractor Shri Hanumantharayappa had made a default in supply. He did not point out that he was purchasing poles from them at higher rates ever since the agreement with the contractor. In according approval on 13th April 1954, the Chief Engineer suggested cancellation of the contract and forfeiture of the deposit of the contractor. The Special Engineer was asked to make a report. The contractor protested that, contrary to the agreement, casurina poles were being purchased at higher rates from others and they made it difficult for him to get his supplies. He claimed damages at Rs 5 per ton for the breach of his contract. The Special Engineer did not forfeit any part of the deposit, obtained some supplies from him and wrote to the Chief Engineer on 27th August 1954, for permission to refund the entire deposit on the ground *that the contract was duly completed.*

197. On 7th June 1954, the Special Engineer wrote to the Chief Engineer to obtain Government approval to purchase in all 2,000 tons of casurina poles at Rs. 37 per ton at a total cost of Rs. 74,000 and for the extra cost of Rs. 12,200 already incurred by him in making purchases at higher rates.

198. This was submitted to Government on 2nd August 1954. Government asked for certain particulars, but they do not appear to have been supplied. The sanction could not be traced in the Government file. The Special Engineer purchased 100 tons more from October 1954 to March 1955.

199. On 22nd March 1955, quotations seem to have been called from 3 or 4 people for supply of 5,000 tons. Only one quotation was received from Shri R. Shankarappa quoting Rs. 40 per ton. That man failed to make the supply.

200. During May 1955, a notification was issued calling for tenders for the supply of 500 tons. It is said that there was no response.

201. Supplies were obtained from different contractors at Rs. 40 per ton. The total purchase since May 1955 were 1,065 tons.

202. Again, in January 1956, tenders were called for the supply of 700 tons. The lowest tender was Rs. 44 per ton. About 150 tons had been purchased at Rs. 44 from January to March 1956. By his letter, dated 28th March 1956, the Special Engineer requested the Chief Engineer to approve purchases of 300 tons not exceeding Rs. 48 per ton. Even before this date, he was making purchases at rates higher than Rs. 44. It was stated that the released material was disposed of at Rs. 46 per ton.

203. The Special Engineer refused to purchase poles from Shri Ibrahim Beg at Rs. 43-8-0 per ton and purchased them from others at Rs. 44 and Rs. 46. The only excuse given by him was that the letter of Shri Ibrahim Beg was received after he had opened the quotations.

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* Annexure LVII, Vol. III.

204. The casurina poles were sold as fuel without making sufficient use. In spite of the Chief Engineer asking the Special Engineer to make the maximum use, this was continued.

205. The total purchases are 3,190 tons at a cost of Rs. 1,24,400. Out of this, the supplies from Shri R. Shankarappa amount to 1,635 tons.

206. By his irregular actions, the Special Engineer has put Government to a loss of at least Rs. 12,200. The Committee considers that the purchases, disposals and the stock-in-hand should be scrutinized.

(*h*) Purchase of Steel Racks.

207. Expenditure on steel racks in the basement floor for the records of the Secretariat is now ordered to be charged to Vidhana Soudha.

208. No provision was made for the purchase of steel racks in the sanctioned estimate of Rs. 130 lakhs submitted by the Special Engineer on 14th March 1955 for Government sanction.

209. In reply to a query from the Government Architect, the Commission and General Agency, who are the local representatives of Messrs. Godrej & Boyce Manufacturing Co., Ltd., Bombay, submitted to him a layout for racks with specifications. It appears that the company made the maximum use of the available floor space. The Government Architect was requested to send a sketch, if a different layout was contemplated. He was also informed that the company would be glad to quote prices, if the enquiry was being sent through the Stores Purchase Committee.

210. On receipt of a copy of this letter, the Special Engineer requested the Government Architect to prepare plans for providing one lakh of cubic feet of shelf-space—50,000 c.ft. for the old records or National Archives and the remaining 50,000 c.ft. for current records. Though the draft of this letter was signed by the Special Engineer on 20th December 1954, it was despatched on 1st March 1955 (D. O. No. 1099). On this draft, the Special Engineer passed an order directing an Assistant Engineer to design the racks and call for quotations from the Central Industrial Workshop and the Government Electric Factory. Accordingly, the specifications and quotations were submitted by the former on 15th January 1955. On that date, the Special Engineer wrote to the Registrar. Mysore Government Secretariat, that the total volume of rack space in the cellar floor was only 30,196 c.ft., and sought Government sanction to the estimate of Rs. 60,392 for the purchase at Rs. 2 per cubic foot. The sanction was conveyed on 11th February 1955.

211. In his letter No. A. D. 16773, dated 20th January 1955, the Chief Secretary informed the Special Engineer that the accommodation required for the entire bulk of the present records was about 1,50,000 c.ft., that the provision in the two record rooms under construction was only 74,000 c.ft., and that additional accommodation for 75,000 c.ft. should be provided. The Special Engineer was requested to provide final information on the space for office staff accommodation, arrangement of racks and records accommodation together with sketches.

212. The Tender Notification dated 9th February 1955, calling for quotations stated that the approximate cost of the work would be about Rs. 40,000, and that the quantities would be about 30,000 C.ft. The closing date was 28th February, On 17th February 1955, the Commission and General Agency requested the Special Engineer for extension of the closing date by a fortnight on the grounds that they were informed by the Office of the Special Engineer that tender forms were not ready and that it would take some

time for them to contact their Principal to obtain quotations according to specifications. This request was turned down. By 28th February 1955, tenders had already been received from four firms including the Commission and General Agency. However, on 1st March 1955, a draft notification was sent to the Compiler of *Mysore Gazette*, extending the date to 7th March 1955, for publication in three successive issues. This was done because some firms like Messrs. E. K. Palia & Co., Ltd., had asked for extension of time and had not given their tenders. An intimation of this extension was not given to any of the tenderers.

213. Subsequent to the receipt of the tenders, the specifications were changed as desired by the Registrar, General Revenue Secretariat, and model racks were got erected by Messrs. Sri Rama Metal Works, the Commission and General Agency and Central Industrial Workshop.

214. On 28th May 1955, the Special Engineer forwarded to the Chief Engineer a comparative statement of tenders received. The tender of the Commission and General Agency was ignored on the ground that they had not quoted to the specification. The lowest tender of Re. 1-8-0 per cubic foot *plus* sales tax was of Messrs. Sri Rama Metal Works. The Special Engineer requested immediate approval to enter into a contract with Messrs. Sri Rama Metal Works at Rs. 2-2-0 per cubic foot for 15,000 C.ft., adding that the remaining work of 17,000 C. ft. would be got done on piece work at Rs. 2-2-0 per cubic foot by offering the same to other intending contractors capable of doing the work. The higher rate was proposed, as additional work was involved.

215. The whole procedure was highly objectionable. Without arriving at definite specifications, tenders were invited. After specifications were changed and finalized, fresh tenders should have been called, giving sufficient time for the submission of tenders. This leads to the impression that this extra-ordinary procedure was followed to favour particular firms and to exclude large-scale manufacturers.

216. Steel racks for the Accountant General's Office were purchased from Messrs. Godrej & Boyce Manufacturing Co., Ltd., Bombay, whose lowest quotation was Rs. 1-9-0 per cubic foot. As the Accountant-General wanted certain reinforcements for the racks, the rate was increased to Rs. 1-12-3 per cubic foot. The entire requirement of steel racks could have been purchased from this leading manufacturer of steel racks whose rates were evidently competitive. In any event, the regular procedure of purchase through the Stores Purchase Committee should have been followed.

217. In the aforesaid letter dated 28th May 1955, the Special Engineer has stated that he was entering into a contract with Messrs. Sri Rama Metal Works as instructed by the Chief Engineer in person. This appears to be incorrect. In his letter dated 28th June 1955, the Chief Engineer asked the Special Engineer to examine whether the higher rate was justified by the extra metal required. It was stated that it was better to do the work according to the originally quoted rate of Rs. 1-8-0, adding that the increase of rate might at the most be Re. 0-2-0 per cubic foot. It was further stated that if a reasonable rate could not be fixed, fresh quotations be called for. The reply of the Special Engineer is dated 1st August 1955. In the meanwhile, Sri Rama Metal Works had done the work to the extent of 10,943 c.ft. The Special Engineer requested approval for payment at Rs. 2-2-0 for this work. He stated that the work turned out at Rs. 2-2-0 was very poor due to non-availability of material in the market at controlled rates. He had called for tenders for labour portion only, the material being supplied by the

Department for which permits had been received from the Iron and Steel Controller and orders were placed. There is nothing in the record to show that the Special Engineer had secured material for this work. Nor did we find in the file, any letter of Messrs. Sri Rama Metal Works demanding the rate of Rs. 2-2-0 per cubic foot.

218. There were repeated complaints about the quality of work of this firm. On 4th July 1955, the Special Engineer complained that the workmanship was not satisfactory, that the plates were dented and edges were not completely filed and finished. On 1st November 1955, the Special Engineer again complained that the quality of racks so far assembled was not as per approved sample and the sheets were full of dents and warned that any rack having a dimension different from those specified will not be accepted. On 11th November 1955, the Chief Engineer pointed out to the Special Engineer that the work turned out by the firm was only about 8,000 cubic feet as against the agreed quantity of 15,000 cubic feet and 75 per cent of the work was reported to be defective and that the defaulter should not be let off without punishment. The Special Engineer was asked to report the action proposed by him. On 1st March 1956, the Special Engineer again complained to the firm that the work was not as per specification and the quality acceptable and requested it to engage experienced and skilled workmen to get the work done. On 17th July 1956, a similar complaint was made. The racks were found not true to plumb.

219. The firm made counter-charges against the Vidhana Soudha. The correspondence with this firm* and the other firm to whom work was given, shows how unwise it was to get the work done on labour contract and how easy it would have been to get the racks from a manufacturer of repute. It was impossible to expect good workmanship at rates which were unworkable. It is to be noticed that steel racks were urgently required by the Secretariat and the State Huzur Treasury. The only prudent way to get a large and faultless supply was to get it from a reputed manufacturer.

220. As regards giving work on labour contract, the Special Engineer wrote to the Chief Engineer on 12th August 1955 for approval to entrust the work of 40,000 c.ft. at Re. 0-6-6 per cubic foot to Messrs. Sri Rama Metal Works and of 40,000 c.ft. to Sri B. Anjanappa of Messrs. Sri Rama Trading Co., at Re. 0-10-0 a cubic foot. It was pointed out that the rate of Messrs. Sri Rama Metal Works did not appear to be workable. The Special Engineer did not even work out a data rate for the finished product. In its absence, it is difficult to say that this mode of execution was cheaper than by contract work.

221. When the Chief Engineer asked him for this information, he replied that the question did not arise. In the same letter, he sought approval to entrust the work to Messrs. Sri Rama Metal Works at Re. 0-8-0 per cubic foot and to start the work immediately. The rate was sought to be raised on the ground of a defect in the tender notification. This was on 2nd September 1955. But before this, he had entrusted the work to Sri Rama Metal Works on 18th August 1955, and to the other firm on 25th August 1955, with a copy to the Chief Engineer for approval of his action. In his reply dated 1st September 1955, the Chief Engineer asked the Special Engineer to await final orders before entrusting the work to Messrs. Sri Rama Trading Co., as payment of two different rates for the same work at the same place and time was not in order. The Chief Engineer approved of giving work of 40,000 c.ft. to Sri Rama Metal Works at Re. 0-6-6 per cubic foot to be completed definitely within two months. As regards the remaining work, the Special Engineer was

* Annexure LVIII—Vol. III.

asked to get the work done departmentally or by calling for fresh quotations, if Messrs. Sri Rama Metal Works or any other firm was not willing to do it at that rate. Thereafter, the Chief Engineer approved the rate of Re. 0-8-0 for the entire work. He had no power to sanction this, as the cost exceeded one lakh.

222. It is understood that a revised estimate to the extent of Rs. 1,60,000 has been prepared for this work and is under submission to the Chief Engineer.

223. The outcome of this mess cannot be gathered from the file. The total quantity of work done so far is not ascertainable from it. It will be a matter for inquiry as to the total cost incurred by the Division in getting the racks prepared in the manner it has been done. It appears that the scheme was to exclude large-scale manufacturers and to get the work done, good or bad, by a favoured contractor, regardless of cost.

224. There is a more serious matter for consideration by Government. On 23rd June 1955, the Special Engineer wrote to the Iron and Steel Controller, Bhadravathi, to arrange to supply M. S. Sheets to Messrs. E. K. Palia & Co., Ltd., against an indent placed by the firm with the Controller, two months ago. It was stated that a large quantity of steel racks had been ordered from the firm and the supply of sheets would very much facilitate expedition of the Vidhana Soudha Works. This statement is not borne out by the correspondence with the firm in the file of the Special Engineer. On the contrary, the correspondence shows that there was no order placed with the firm either before or after this letter.

225. If on investigation, it is found that the firm has obtained supplies or permits for supplies subsequent to the date of the letter of the Special Engineer on an indent submitted earlier, or even if the attempt to influence the Steel Controller has not succeeded, appropriate action should be taken against the Special Engineer.

(*i*) Cement Account.

226. Shri C. J. Venkatesha Das (Witness No. 19), who is Stores Officer, has admitted the correctness of the note on Cement Account and the three statements annexed thereto prepared by the Accounts Officer of the Committee. * It shows that both the receipts and issues registers are not properly kept. A receipt of 250 bags paid for in June 1954 by transfer, is not yet entered in the Receipt Register. There is a short total of 100 bags. There are mistakes in the issue register also almost in every month. The entries were not made as the transactions took place. No attempt seems to have been made at any stage to check the entries in these registers with the relative documents or to check the totals. The figures in the half-yearly return submitted to the Accountant-General do not tally with those in the books and both are mostly incorrect. The issues of loans to other departments have not been entered in the issue register ; nor are the returns, if any, noted.

227. As against the book balance of 6,382 appearing both in the register, as also in the return submitted to the Accountant General as at the end of March 1956, the counted balance was only 2,732. After correcting both the receipt and issue entries, the balance ought to be 3,332. The counted balance was thus less than the correct balance by 600 bags.

228. As regards the difference of 3,650 bags between the book balance and the counted balance, the Stores Officer made a remark on the half-yearly return that the difference is made up of 1,750

* Witness No. 19, para 9. Vol. II, pages 79-80 and Document No. 10, Vol. II, pages 101-106.

bags less, 600 bags-loan to other Divisions, 1,000 bags-loan to Central Industrial Workshop and 300 bags—other differences. No attempt was made to find out this heavy difference and no report was made to higher authorities.

229. If these loans of 1,600 bags to other Divisions are true, (they are not entered in the Issue Register), then the actual balance on 31st March 1956, should have been 1,732 (3,332 less 1,600=1,732) while the counted balance was 2,732. This means that either all the receipts were not entered, or that indents were entered in the Issue Register without issue of cement, or that the counting was not done, or was done incorrectly. It is not stated that any receipts were omitted. The account of receipts and issues as prepared by the Accounts Officer is admitted as correct. Shri Venkatesha Das (Witness No. 19) is positive that he noted the stock counted by him. *It therefore follows that indents must have been entered in the Register without issue of full quantities stated therein.* This finds support in the various alterations of figures in the indents, and in the fact that in several cases more materials than really required by specifications have been shown as used. *Another factor to be taken into consideration is that returns of loans given to Messrs. Kempiah Sons & Co., are doubtful.†

230. A book, called by the Special Engineer, " Cement Register " was kept. It purports to show the totals of daily receipts, issues and the closing balances. It must have been written from some primary records. Those records are not evidently the Receipts and Issues Registers. The totals of receipts and issues do not tally with the Receipts and Issues Registers. Totals differ both ways. Sometimes the totals are less than the issues and sometimes more than them. The account of loan of cement to Messrs. Kempiah Sons and Company as appearing at page 340 of the Cement Register, differs specifications have been shown as used.* Another factor to be taken in material respects from the Cement Register and the Issue Register.‡ There are a large number of arithmetical mistakes.§ The books from which this " Cement Register " might have been prepared are not forthcoming.

231. The Committee is of the view that the account of cement requires a detailed investigation. It will be necessary to determine the excess of cement issued to work over the actual requirement according to specifications. It will also be necessary to determine whether the whole or any part of the 3,850 bags of cement was received back from Messrs. Kempiah Sons and Company. The question of the loan of cement has been examined in detail. ||

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* Chapter XIII, page 86.
† Chapter XVII-(b), page 163.
‡ Documents Nos. 13 and 14, Vol. II, pages 114 and 115.
§ Document No. 15, Vol. II, page 116.
|| Chapter XVII-(b), pages 162-163.

CHAPTER XVI.

OTHER IRREGULARITIES WHICH HAVE CAUSED LOSS TO THE STATE.

(*a*) Purchase of Sandalwood.

On 23rd August 1955, the Special Engineer moved the Chief Engineer for sanction to purchase 3 tons and 1 cwt. sandalwood for ornamental wood carving work for doors and screens of the Vidhana Soudha. The purchase was already made. The Chief Engineer accorded sanction for purchase of this quantity of sandalwood at a total cost of Rs. 17,812 for ornamental work *vide* No. 7848—R. B. 55-56, dated 2nd December 1955. Even in the detailed estimate of Rs. 130 lakhs approved by Government on 8th September 1955, there is no mention of any sandalwood work and there is no provision for sandalwood.

2. As against this sanction of 3 tons and 1 cwt. of sandalwood, the Special Engineer purchased 4 tons 19 cwt. 1 qr. and 12 lbs. at Rs. 5,750 per ton at a total cost of Rs. 28,565-2-0 as follows :

	Tons	Cwt.	Qr.	Lbs.
August 1955 ..	3	1	0	0
September 1955 ..	0	17	3	12
October 1955 ..	1	0	2	0
	4	19	1	12

The cost of petrol for bringing the sandalwood to the Vidhana Soudha is Rs. 330. To this should have been added the depreciation, maintenance, etc., of the vehicles. These purchases were prior to the sanction.

3. The Special Engineer has not yet obtained sanction for additional purchases.

4. Out of the above stock, only a small quantity of 3 cwt. 3 qr. and 6 lbs. has been used for the door frame and two shutters of the main door of the Chief Minister's Chamber, and a total quantity of 4 tons 5 cwt. 1 qr. and 7 lbs. including machine dust was returned to the Sandalwood Kothi on 24th September 1956. On 27th September 1956, the Special Engineer again obtained from the Kothi, one log of 52½ lbs. The difference of 10 cwt. and 27 lbs. between the quantity purchased and the quantity thus accounted for is alleged to be due to driage of wood. The quantity returned was accepted by the forest authorities but at different rates which are said to be the selling rates of Government on the date of return as under :

	Tons	Cwt.	Qr.	Lbs.	
Logs ..	3	1	2	27½	at Rs. 4,400 per ton.
Chilte ..	0	5	0	0	at Rs. 2,600 per ton.
Scraps ..	0	17	0	0	at Rs. 3,100 per ton.
Dust ..	0	1	0	11	at Rs. 2,750 per ton.
	4	4	3	10½	Total price Rs. 17,020.

5. The Government accepted the recommendation of the Committee made in the Preliminary Report dated 20th August 1956 that the use of ivory and sandalwood was unnecessary. The work of the shutters was already taken in hand. The use of sandalwood for the shutters is thus not contrary to the Government Order. But the obtaining of a log of 52½ lbs. on 27th September 1956 without any specific approval of Government is unwarranted. The necessity for this log is not known.

6. In an abstract estimate for wooden screens of Assembly and Council Halls, platforms, furniture, ornamental doors and other

works, prepared in the office of the Special Engineer and which was not yet submitted for approval of Government, there is provision for sandalwood only for the main door of the Chief Minister's Chamber as under :—

	Rs.
Cost of sandalwood	2,400
Cost of cutting sandalwood, joinery, carving, etc.	8,000
Fittings, etc.	1,500
Cost of outer rosewood frame	8,000
	20,250

7. It is thus apparent that the Special Engineer had purchased nearly 5 tons of sandalwood without any specific requirement for this huge quantity and without any prior sanction. This has resulted in a loss of Rs. 10,678-8-0 as under :

	Rs.	a.	p.
The cost of acquisition including transport ..	28,895	2	0
Deduct—Sandalwood returned	17,020	0	0
	11,875	2	0
Deduct—Sandalwood used	1,093	8	0
Deduct—Sandalwood in stock	103	0	0
	10,678	8	0
Loss due to difference in purchase and selling rates ..	7,372	8	3
Loss due to alleged driage	2,944	5	0
Loss of transport	330	0	0
Loss on 52½ lbs. at Rs. 5,750	31	10	9
	10,678	8	0

(*b*) Purchase of Wire Nails.

8. Twenty-seven tons 14 cwt. of wire nails from 19 different suppliers have been purchased from August 1953 to September 1956 at a total cost of Rs. 29,170 as per details given below :—

	Rs.
2 tons at Rs. 820 per ton	1,640
1½ tons at Rs. 840 per ton	1,260
13½ tons at Rs. 940 per ton	12,690
2 tons at Rs. 1,120 per ton	2,240
4 tons at Rs. 1,160 per ton	4,640
3½ tons at Rs. 1,400 per ton	4,900
1¼ tons at Rs. 1,440 per ton	1,800
	29,170

9. This is a controlled commodity whose rates are fixed by the Government. The supplies could therefore have been obtained at the controlled rates from the stockists and registered dealers. Two tons were obtained from a registered dealer Messrs. K. J. Bastian & Co., Madras, at Rs. 41 per cwt. and 1½ tons were obtained from the Government Electric Factory at Rs. 42 per cwt. Only once during this period of three years, four tons were purchased through the Stores Purchase Committee at Rs. 58 per cwt. F.O.R. Bombay in June 1956. The Special Engineer appears to have approached the Stores Purchase Committee only when the Government pointed out the excessive purchases at exhorbitant rates.* The rest of the purchases

* Para 13, *supra.*

were made locally at varying rates which appear to be considerably above the controlled rates. It will be seen that different rates are paid to different firms during the same period. During August and September 1955, one ton of wire nails was purchased locally from Messrs. Bangalore Supply Agency at Rs. 56 per cwt. and ½ ton at Rs. 70 per cwt. while in September, three tons have been obtained at controlled rates of Rs. 40-4-0 to Rs. 42 per cwt.

10. A number of quotations were received in May 1954. Out of them, purchases were made only from four firms as appears from the statement of purchases of 22 tons during the period July 1953 to March 1956 submitted to Government. In the case of two of these firms, the rates paid are slightly higher than those quoted. In the case of Messrs. L. Abdulla, the rate paid is Rs. 56 per cwt. as against their quotation of Rs. 48 plus sales tax, and the rate paid to Messrs. Suryanarayan Sastry & Bros. is Rs. 52 as against their quotation of Rs. 45-4-0 for 3 inches to 6 inches and Rs. 46-8-0 for 1 inch to 8 inches plus sales tax. We understand that the sales-tax is three pies per rupee.

11. In the letter of the Special Engineer, dated 26th April 1956, it is stated that he had purchased 23 tons of wire nails at rates ranging from Rs. 48 to Rs. 70 per cwt. The statement appended to that letter shows payment of Rs. 70 to Messrs. Ramswarup whose quotation is not in the file.

12. There seems to be no justification for payment at these very high rates and payment of high rates to persons who had quoted lower rates.

13. In their letter to the Chief Engineer, dated 26th May 1956, the Government had pointed out that not only the quantity purchased appeared to be excessive but also the rates at which the nails were purchased were exhorbitant. The Chief Engineer does not seem to have made any enquiry either into the needs or the rates paid by the Special Engineer.

14. The Committee is of the view that this question of the requirement of the wire nails and their purchases at exhorbitant rates by the Special Engineer requires close scrutiny.

(*c*) Purchase of Rubber Cushions and Leather Pieces for Seats in the Council and Assembly Halls.

15. It was decided by the Government in the year 1952 that the furniture to be then prepared for the Assembly Hall at a cost of about Rs. 1 lakh would be utilized in the new building. A statement to this effect was made by the Chief Minister in his budget speech. At a meeting of Officers held at the Vidhana Soudha on 22nd September 1955, the Chief Minister gave instructions that the furniture available in the present Hall (former Library Hall of the Secretariat) should be made use of for the new Assembly Hall in the Vidhana Soudha in a suitable manner so that manufacture of fresh furniture to that extent may be avoided. This was in accordance with the decision of Government above-referred to.

16. At a meeting of the Officers held on 27th March 1956 at the Residency, the Chief Minister, however, directed that the whole of the Vidhana Soudha building including all affices located therein may be provided with new furniture manufactured at the spot and that there was no need to shift any of the existing furniture in the other buildings from which offices are to be shifted to the Vidhana Soudha. It was further directed that the total cost, which was expected to come to about Rs. 10 lakhs, may be met from appropriate sources. It was thus for the first time on 27th March 1956 that the Chief Minister decided on this new arrangement. There is no

provision for this expenditure even in the Rs. 130-lakh estimate. In our first interim report, we had suggested that this work should be stopped and this suggestion was accepted by the Government.

17. It appears that the Special Engineer started enquiries for the purchase of rubber foam cushions from November 1955 and entered into negotiations with certain firms to reduce their rates. On 23rd February 1956, he wrote to the Chief Engineer that the total cost of the supply would be Rs. 12,124-8-0 F.O.R. Bangalore as per statement enclosed and sought sanction of the Government to purchase this material at a cost of Rs. 12,134-8-0 *plus* sales tax and other taxes. It will be noticed from the letter of Messrs. Dunlop Rubber Co. (India) Ltd., dated 6th February 1956, that they offered to deliver the goods free at Vidhana Soudha Stores and had stated that no sales tax shall be charged. Messrs. E. K. Palia & Co., Ltd., in their letter dated 6th February 1956, agreed to supply the goods at the same rate *plus* sales tax. It is not stated in the letter whether the delivery was to be free at the Vidhana Soudha Stores. It is thus manifest that the cost of purchase from Messrs. E. K. Palia and Company is higher than that from Messrs. Dunlop Rubber Company.

18. In the letter dated 23rd February 1956, the Special Engineer has admitted that the samples of Messrs. Dunlop Rubber Company were better and were the ones which were originally approved by the Technical Committee, and that it would be in order, if the entire supply order was placed with them. Placing any part of the order with Messrs. E. K. Palia & Company was thus not in the best interests of the Government. But the Special Engineer wanted to get supplies from this firm also on the ground that "in view of urgency of material, it may not be desirable to depend on one firm". This excuse is too flimsy to merit any consideration. The letter does not show that he placed the orders with these two firms on or before 23rd February 1956. But from his letter dated 8th June 1956 addressed to the Chief Engineer, it is clear that the Special Engineer had placed the orders with these firms on 22nd February 1956. In fairness, he should have mentioned these facts in his letter dated 23rd February 1956.

19. The reference in the letter dated 23rd February 1956 to the approval of the samples of foam seats by the Vidhana Soudha Technical Committee does not find support in the copies of the proceedings of the Technical Committee supplied to us.

20. In the proceedings dated 3rd November 1955, there is a reference to selection of covers for cushion seats, and the Committee recommended rexona of dark chocolate colour. But in the meeting of 9th January 1956, the Committee expressed its preference to the use of leather in place of rexona and suggested that the final prices fixed up may be put up for its information. Neither the Technical Committee nor the Special Engineer had authority to place any order. The latter, however, placed the order with the Mysore Chrome Tanning Company Ltd., on 31st January 1956. He does not appear to have informed the Technical Committee as required by it.

21. These are two of the several cases, the Committee has come across of purchases of materials made without authority, without reference to the Stores Purchase Committee, without calling for tenders and without preparing the necessary estimates and obtaining sanction.

22. The Committee is further of the view that these cases require further scrutiny by Government. These cases give rise to the criticism that irregularities are committed designedly with a view to favouring some party or for some other purpose. In the case of supply of rubber cushions, the Special Engineer has evidently caused loss to

Government by not placing the entire order with the Dunlop Rubber Company, though the loss is of a small amount. It does not require any argument to establish that Messrs. Dunlop Rubber Company is in a better position to fulfil its commitments to the letter and spirit than the other firm.

(*d*) Representataion of Messrs. M. H. Laxmanrao and R. Pillogi Rao (herein referred to as Laxmanrao)

23. On 1st March 1954, tenders were called by the Special Engineer for the making and fitting of 226 door shutters and 786 window shutters approximately. It was stipulated in the tender that the minimum output must not be less than Rs. 5,000 per month. The lowest tender was of Laxmanrao—Re. 0-8-0 per sq. foot for windows and Re. 0-9-0 per sq. foot for doors. They could have executed this work of about Rs. 22,000 in about five months. There was no hurry at that stage to get the work done earlier. Without any necessity, the Special Engineer split up the work. The work of windows was given to Laxmanrao and that of the doors was given to two others. This was approved by the Chief Engineer on 4th December 1954, who did not care to enquire why the tender was split up. Laxmanrao accepted the work given to him and executed it.

24. On 23rd May 1955, Laxmanrao made a representation to the Special Engineer that the splitting up of work had caused loss to him and that he should be paid at Re. 0-9-0 instead of Re. 0-8-0 for the window work. He stated in giving the two quotations, he was under the belief that he would make up the loss in giving lower rate for windows, by the higher rate for doors. This representation should have been rejected on the short ground that Laxmanrao accepted the work without any protest. Having accepted the work, he was bound by his contract. As a matter of fact, he did not finish the work by the time he made representation and was apparently liable for penalty.

25. The recommendation of the Special Engineer to pay him approximately Rs. 2,500 extra on the grounds that the work involved in doors and windows is the same and that Laxmanrao was prejudiced by splitting up of the work, was correctly turned down by the Chief Engineer on 17th October 1955, on the ground that the quotation rates must be adhered to.

26. Not satisfied with the decision of the Chief Engineer, the Special Engineer almost *immediately* wrote to the former to reconsider the matter " in the interest of the speedy and quality work." He was manifestly not proposing a bonus to the contractor for better quality of work or execution before the schedule time. The work was not executed before time and there is no evidence that the work turned out was so superior as to merit a bonus. On 7th December 1955, this proposal for reconsideration was also turned down by the Chief Engineer.

27. Thereupon, the Special Engineer again wrote to the Chief Engineer for reconsideration of the matter on the ground that disparity in rates for the same kind of work, worked a hardship on the applicant. This time, the Chief Engineer forwarded the proposal to Government on the ground that the work involved in making window shutters was more than the work involved in making door shutters. He recommended payment of Re. 0-9-0 per sq. foot for windows. The recommendation for higher rates for tendered works is most irregular and takes away the sanctity of tenders.

28. As a matter of fact, the work of windows which are all of full glass panels is easier than that of half or two-third glass panel doors with shutters of thicker planks. The rates for the former are lower

than those for the latter. The statement of the Chief Engineer to the contrary is not borne out by the schedule of rates of the Bangalore Buildings Division. Splitting up of the work was the fault of the Special Engineer himself, but the contractor accepted the splitting up and is bound by it.

29. It is to be observed that the contractor did not make any representation other than the first dated 23rd May 1955. He was apparently satisfied with the decision of the Chief Engineer. The Special Engineer should have accepted the decision of the Chief Engineer as final. It is difficult to appreciate why the Special Engineer was over-solicitous for the contractor. The Chief Engineer should have drawn his attention to this uncalled for conduct.

30. Even in this case of a routine nature, the Special Engineer had sent an advance copy to the Secretary to Government. The Special Engineer had admitted before us that such a course is against rules. The Committee considers it highly objectionable, to say the least.

31. This is an instance where the Special Engineer has acted against the interest of the State in pressing his wholly unwarranted recommendations. It is difficult to appreciate the conduct of the Chief Engineer in sponsoring the recommendation which he had turned down on two previous occasions.

32. As against 226 doors and 786 windows approximately mentioned in the tender notification, the work entrusted to the tenderers was 553 doors and 1,185 windows. Whether this is the final figure or not is not known. There would be the usual excuse of the third floor being added; but it was decided to be added and designed before the tender was issued. Anyway, the doors and windows on the third floor are not 207 and 399 respectively.

33. This is also an instance of bad planning and then of bad business.

(*e*) Labour Quotations for Chairs and Desks in Legislative Halls.

34. The decision of the Government was to utilize the chairs and desks of the existing Assembly Halls and the deficit items to be made. No provision was made for this deficit in the Rs. 50-lakh estimate or the Rs. 130-lakh estimate. The Chief Minister had repeated the original Government Order in the Officers' meeting on 22nd September 1955.

35. This note relates to the labour and polishing charges of 71 sets of double chairs and desks and 91 sets of single chair and desk. If these chairs and desks are not the deficit items, the action is highly unwarranted and highly objectionable.*

36. A tender notification was issued on 19th July 1955, for 71 double sets and 91 single sets, *i.e.*, for 233 seats in all. This notification is defective (see clause 8 and specification 2). The latter only requires quotations for labour portion of the joinery work, while the former says that the rates for chairs and desks should be inclusive of 2 or 3 coats of approved polish. Naturally, therefore, there were variations in the quotations by the several tenderers. All the tenders are dated 12th August 1955, and were received by the Special Engineer within 20 minutes of the closing hour, 4 P.M. The appropriate procedure would have been to re-issue the tender notification after amendment, specifying the precise requirements. Instead, the Special Engineer persuaded the several tenderers to give a uniform rate of the lowest tenderer Sri Pungappa and recommended distribution of

* Chapter XVIII, para 9, page 167, *supra*.

work amongst them as given in the schedule annexed to his letter dated 7th September 1955 to the Chief Engineer.

37. According to the letter of the Special Engineer dated 7th February 1956 to the Chief Engineer, it appears that by departmental working, the average labour charges for a single chair and desk worked out at Rs. 60 and for double chair and desk at Rs. 85. The corresponding polishing charges including cost of polish worked out at Rs. 25, and Rs. 40. As against this, the rates at which the work was distributed was Rs. 20 and Rs. 35 respectively, as labour charges for a single chair and desk and double chair and desk.

38. The polishing charges including cost of polish as accepted by the Special Engineer are Rs. 20 for a single set and Rs. 35 for a double set.

39. If the rates of departmental working as given in this letter are true and if it is a sample of departmental working, it stands condemned. It cannot be said that these several tenderers were executing the work at a loss. There is no reason why the departmental execution of the work should cost so much more, unless the supervision was extremely slack or the daily wages paid to labourers were inordinately high.

40. It is significant that the Special Engineer has not worked out the labour charges for fixing the platform and the partitions departmentally and the polishing charges of the latter. There is, therefore, nothing to show that the contract rates for this work are fair.

41. The lowest rate for fixing the platform is Rs. 45 per square foot. Although tenders were called as regards wooden partitions, the work was not given on contract. It is not known whether it was done departmentally and if so, at what rate.

42. In view of the tender notification, the Special Engineer should not have allowed separate rate for the polishing charges of these chairs and desks. That was unwarranted.

(*f*) Purchase of Bricks.

43. More than 13 lakhs country bricks costing about Rs. 40,000 were purchased at various rates ranging from Rs. 25 to Rs. 31-8-0 per 1,000.

44. Without calling for any quotations or tenders, the Special Engineer purchased his requirements from one Thimmarayappa at Rs. 28-14-0 per 1,000. Subsequently, when quotations were called, only one person gave the quotation. But it was rejected as the sample was not up to specification; and the Special Engineer continued to make purchases from several persons. It is somewhat extra-ordinary that there should have been none to quote while there were many to supply.

45. On the score that supplies were not availabe, the Special Engineer wrote to the Chief Engineer on 21st February 1956 that he would be purchasing bricks at the rate of Rs. 31-8-0, the lowest rate of quotation, and requested his approval. It is significant that for quite a long time before this date and for quite a long time after this date, the Special Engineer was purchasing bricks at Rs. 28-0-0. Instead of rejecting bad quality bricks, he retained them at Rs. 25 per 1,000. It appears that the Special Engineer paid Rs. 31-8-0 to only one contractor Shri K. V. Narayan.

46. The Committee considers that the Special Engineer has not handled these transactions in the best interests of the State.

(*g*) METAL SHEET BUS BAR DUCTS.

47. Sealed quotations were invited by notification No. V.—S. E.—70, dated 29th June 1955, for the manufacture, supply and fixing of ducts of two types; (*a*) 5,000 R.ft. and (*b*) 300 R.ft. The lowest quotations of Rs. 3-4-0 and Rs. 2-6-0, respectively were of Messrs. Sri Rama Metal Works, Bangalore. Instead of entering into contract with this firm, with the prior approval of the Chief Engineer, for the entire quantity required, the Special Engineer informed the Chief Engineer on 7th July 1955 that he had placed an order with that firm for 350 R. ft., type (*b*) at Rs. 2-6-0 and an order with United Sales and Service Company for 280 ft., type (*a*) at Rs. 3-4-0. Both these quantities were said to be required for the Library Hall. This splitting was done on the usual excuse of urgency. This action was approved by the Chief Engineer (*vide* No. 4861-RB-55-56, dated 31st August 1955). The Special Engineer did not seek approval of the Chief Engineer to purchase at these rates the entire quantity stated in the notification.

48. On 16th September 1955, the Special Engineer placed an order with Messrs. Jain Brothers for 2,000 R.ft. of type (*a*). That firm had not quoted in response to the notification. It was not in a position to supply the material as it could not secure M.S. sheets. The Special Engineer then procured the sheets from the Central Industrial Workshop, Bangalore.

49. In his letter dated 11th November 1955, seeking approval of the Chief Engineer to his purchase of 2,000 R.ft., the Special Engineer stated,—

> "The firm whose lowest tender was approved failed to supply the articles on the plea that the materials shou.d be supplied by the department ..... Orders for supply of 2,000 R.ft. were placed at approved rates with Messrs. Jain Brothers who had the materials ready in stock and supplied the required quantity in time."

50. As a matter of fact, there is no letter in the file of the Special Engineer supplied to the Committee or any paper except the said letter dated 7th July 1955 addressed to the Chief Engineer, to show that any order was placed with the two firms mentioned therein. Nor is there any correspondence on record to show that "the firm" asked the Special Engineer to supply the materials. Thus, the earlier statement in the extract is not warranted. The latter statement is manifestly contrary to the documents on record.

51. Though a firm order was placed on 16th September 1955 with Messrs. Jain Brothers, approval of the Chief Engineer was sought on 11th November 1955. *As the material was received, and 75 per cent of the payment was already made, the Chief Engineer accorded his approval on 2nd March* 1956.

52. A notification was issued on 9th January 1956, calling for quotations for the manufacture, supply and fixing of ducts 5,000 R.ft. type (*a*), and an unspecified length of type (*b*). The only quotation received was from Messrs. Jain Brothers. It was not accepted. The file does not show that this requirement was purchased from any other source.

53. If the Special Engineer had given the entire work on the first occasion, and entered into a proper contract with the contractor, with the prior approval of the Chief Engineer, this irregular transaction with Messrs. Jain Brothers could have been easily avoided. That transaction was sought to be justified on manifestly erroneous grounds. In any case, this is an instance of bad planning.

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54. In the detailed electrical estimate, no provision was made for this item. By inflating the quantities and, probably, the rates for various items, sanction was obtained for an expenditure of Rs. 8.15 lakhs, and items not provided in the estimate were being acquired. If there had been a proper scrutiny of the estimate by the appropriate authorities at the proper time, extravagance could have been avoided.

(*h*) Sand Collection—Vidhana Soudha Division.

55. To end of March 1956, out of the 36,183 c.yds. of sand collected for the construction of Vidhana Soudha Division, the Division has collected departmentally 17,175 c.yds. at varying rates ranging from Rs. 4-10-0 to Rs. 7-1-3, a few instances of which are shown below. It is clear from the above that proper care and control has not been bestowed in the economical collection of sand :—

Lorry or Vr. No.	*Period of Collection*	*Quantity Collected*	*Rate* Rs.	*Cost* Rs.
V. S. 1	November 1955	67½ cyds.	7 1 3	477 0 6
V. S. 2	November 1955	162 cyds.	6 8 0	1,052 13 0
	October 1955	103½ cyds.	7 0 0	724 4 0
V. S. 4	September 1953	116 cyds.	6 14 9	800 0 0
V. S. 5	March 1954	85½ cyds.	6 12 9	577 8 9
V. S. 8	July 1954	265 cyds.	4 15 6	1,267 10 0
Dodge	October 1954	36 cyds.	4 10 0	116 10 0

56. A major quantity has been collected at higher rates. The collections made through Public Works Contractors were from the beginning at Rs. 5-8-0 a cyd. and there is nothing on record to show that the collection through Public Works Contractors was insufficient or that they failed to comply with the demand of the Division. This is an instance of excess expenditure due to the departmental Officers not having proper check over the collection of material and not having verified the comparative cost between the departmental agency and the contract.

(*i*) Purchase of Aluminium Sheets.

57. Without reference to the Stores Purchase Committee and without calling for quotations, the Special Engineer purchased 1,517 lbs. of aluminium sheets at a cost of Rs. 3,346-3-6 *plus* expenses. He placed the order on 17th—21st September 1955 and sent a copy to the Chief Engineer for information and for according approval to the purchase at a cost of Rs. 3,300 *plus* sales tax. On 2nd December 1955, the Chief Engineer sanctioned the purchase of aluminium sheets at a cost of about Rs. 3,300 with a direction that the purchase may be made through the Stores Purchase Committee. On reading the letter dated 21st September 1955, the Chief Engineer should have noticed that the purchase was being made without reference to the Stores Purchase Committee. He should have stopped it forthwith pending consideration of the matter. Before his sanction, the goods were received by the Special Engineer.

58. There is no provision for this item in the sanctioned estimate of Rs. 130 lakhs. It is not clear why this purchase was made, and why it was made in the manner it was done.

59. As the bill of the supplier was not being passed, the Special Engineer requested the Chief Engineer on 7th February 1956, to accord approval to the purchase from a Calcutta firm. Without asking the Special Engineer as to why he placed the order without his prior sanction or without reference to the Stores Purchase Committee,

the Chief Engineer approved of the purchase as a special case. Such mechanical approach encourages subordinate officers not only to defy the rules but also to flout the authority of the superior officers.

60. On 4th July 1956, it was proposed to get the sheets cut into ¾ inch and ⅜ inch strips by the Central Industrial Workshop for the in-situ flooring work in the Foyar Hall, and to recover the cost from the flooring Contractor, National Cement Tiles Company. This proposal was approved by the Special Engineer on 5th July 1956.

61. On a reference by the Committee as to why these purchases were made without prior approval of the Chief Engineer and without reference to the Stores Purchase Committee, what action he had taken consequent on the order dated 2nd December 1955 and why the material was delivered to the contractor on sale indent, the Special Engineer sent a reply No. 4099 dated 10th October 1956. It is not at all convincing. It shows that there was no need for him to make the purchase and to do it in the manner he did. He made this purchase with Government money for the benefit of the contractor who indirectly used Government money for at least ten months. It appears that this improper course was designedly adopted.

(*j*) Employment of Convict Labour.

62. It was proposed to employ convicts for manual and skilled labour on the minimum scheduled rates, taking into consideration the quantity and quality of work turned out by them. Rule 366 of the Jail Manual prohibits employment of prisoners outside the jail in which they are confined except for jail purposes or under general or special order of the Government. Rule 367 provides for the several non-jail purposes for which the prisoners could be sent outside the jail. Rule 369 prohibits the employment of convicts on any labour outside the walls of the jail and also prohibits their passing out of jail for such purposes. There are, however, certain exceptions provided in that rule. Certain classes of convicts can in no circumstances be employed outside the jail. *These restrictions were waived by Government and it was held that the proposed work fell within the ambit of rule 366 of the Manual.* About the wages, it was directed that a schedule of rates be fixed by agreement between the Chief Engineer and the Inspector-General of Prisons. The convicts were allowed to utilise 3½ per cent of their earnings for buying tobacco, bidis, snuff, jaggery and sweets. This order of Government was passed on 18th May 1953.

63. Convict labour was employed on the Vidhana Soudha work from May 1953 to 6th March 1956. For the first eleven months, 200 prisoners were employed per day and for about 2 months thereafter, the number was varying from 200 to 150 and from 6th April 1955 to 6th March 1956, the number was reduced to 100, as the Inspector-General of Prisons wanted the convicts for jail industries. This labour was discontinued because of a serious clash between the convicts and free labour.

64. In order to guard these convicts, 30 reserve constables from Police Department, 10 warders and 1 chief warder were employed.

65. From the figures supplied by the Special Engineer, it appears that in all about Rs. 23,700 were payable by him to the Jail Department for the work of the convicts. There were in addition, 1 Supervisor and 6 maistries employed by the Division to supervise their work. Their wage bill was Rs. 14-8-0 a day. For schedule work, the convicts were paid according to scheduled rates and for non-scheduled work, they were paid at Re. 0-6-0 a day, though an ordinary unskilled labourer was being paid Rs. 1-2-0 to Rs. 1-4-0 a day during that period. It is learnt from the Special Engineer that the efficiency of a convict was 1/3 of the ordinary unskilled labourer.

66. The wages thus earned by the Jail Department by such employment of convicts were insufficient to meet the expenditure on the wages of reserve police and warders and the extra-rations provided for the convicts during this period. As against an earning of about Rs. 700 per month, the State had to incur about Rs. 1,500 per month as wages of Reserve Police. There was thus a pecuniary loss to the State in diverting convict labour to the Vidhana Soudha Division. The Division had also to incur an expenditure of about Rs. 350 per month on supervision.

67. Rule 368 of the Jail Manual provides that the Department utilising convict labour shall be charged at Re. 0-4-0 a day. The idea probably was to effect saving in the cost of Vidhana Soudha work by utilising this cheap labour.

68. It appears that the relations of the supervisory staff of the Division and the guards of the convicts were not smooth. There were complaints that the latter were an obstacle to smooth execution of the work. The convicts were unwilling workers and were not amenable to the discipline of the supervisory staff of the Division. There were quarrels off and on between the convicts and the free labourers. The last clash which was somewhat of a serious nature took place on 6th March 1956. Since then, the employment of convict labour was discontinued.

69. As far back as 12th January 1954, the Chief Engineer requested the Government to withdraw the prisoners, because it was undesirable for various reasons stated in that letter for these convicts to work where other departmental labourers were working; but the Inspector-General of Prisons desired their conntinuance as the convicts detailed for work at Vidhana Soudha could not be provided with work in Jail. He requested the Government to direct the Vidhana Soudha Division to pay wages at the average rate of six annas a day. The Government did not examine the desirability of continuance of convict labour. It directed the Departments to arrive at a schedule of rates; and awaited their agreement. This agreement was not reached till 30th October 1956.

70. The employment of convict labour was economically unsound and if the matter had been worked out carefully, this waste of public money could have been saved.

71. The Special Engineer had informed the Committee that convict labour was employed from 1st September 1953, though the labour was, in fact, employed from May 1953. This was brought to his notice by a letter dated 18th October 1956 with a request to inform the correct figure of wages paid. After several reminders, his successor supplied the information in December 1956.

(*k*) Employment of Convict Maistry, and Payment of high wages to him.

72. From 17th July 1953, this man was employed by the Special Engineer as a Maistry on wages of Rs. 4 per day to supervise the work of the convicts. On 5th August 1953, he wrote to the Superintending Engineer, Bangalore Circle, to approve his appointment. In making this recommendation, it was necessary for the Special Engineer to give a full account of the qualifications, aptitude, and experience of this man as Maistry which justified this appointment on Rs. 4 per day. The wages of a Maistry for supervising the work of labour varied from Rs. 1-8-0 to Rs. 2 per day. The Superintending Engineer informed him that the wages of Rs. 4 per day were too much and asked him to furnish details of the qualifications of this Maistry. Instead of giving the necessary particulars, the Special Engineer asked for approval for payment of daily wages at

Rs. 4 for six months as a special case. The Superintending Engineer was not satisfied with this reply and asked him specifically to state the qualifications and experience of the Maistry for payment of such high rate of wages. In reply, the Special Engineer stated that the Maistry was an arts graduate of the University of Mysore. He did not state his experience, or aptitude for such work.

73. On 5th December 1953, the Special Engineer wrote to the Superintending Engineer asking approval for appointment of six other Maistries at various rates ranging from Rs. 1-8-0 to Rs. 2-4-0. Thereafter, he was asked to submit a report with cogent reasons as to why such high rate was fixed. No reasons were given. After some correspondence, the Chief Engineer conveyed his approval to the payment to Sri Narasimha Rao at Rs. 3 per day only.

74. The Divisional Accountant objected to the payment of Rs. 4 per day. But the Special Engineer directed payment at Rs. 4 per day pending approval. On further objections being taken, the Special Engineer directed that the payment be made at Rs. 4 per day as a special case.

75. This was highly irregular. By the time he passed these orders, it was clear that the Superintending Engineer was not likely to recommend payment to this Maistry at Rs. 4 per day.

76. Instead of carrying out the order of the Chief Engineer and making payment to this Maistry at Rs. 3 per day, at least for the future, the Special Engineer again moved the Chief Engineer on 14th April 1954 for payment to the Maistry at Rs. 4 per day. It is to be noted that the Maistry was apparently satisfied with the order of the Chief Engineer and did not make any representation for higher payment. After some correspondence, the Chief Engineer directed the Special Engineer to terminate the services of this Maistry forthwith and further directed him to engage another on Rs. 3 per day if such appointment was necessary.

77. The Special Engineer was not satisfied. He proposed that Narasimha Rao be employed as a Labour Officer on Rs. 100 per month with effect from 1st December 1954 for a period of one year on the ground that Narasimha Rao had represented that he should be paid monthly wages instead of daily wages. On 12th November 1955, the Chief Engineer informed the Special Engineer that the Government had passed orders that it was not necessary to appoint Sri Narasimha Rao as a Labour Officer and that his proposal to appoint him as a Maistry on Rs. 4 per day was not acceptable and that he may be appointed as a temporary Maistry on daily wages of Rs. 3 per day.

78. Immediately on receipt of this order, the Special Engineer made a further representation on 25th November 1955 to employ Narasimha Rao as a Labour Maistry on Rs. 4 per day. It was forwarded by the Chief Engineer to Government on 31st March 1956 on the ground that his services were found very essential in supervising the work of the convict labour and other labour. After some correspondence, the Government accepted the recommendation of the Chief Engineer that Narasimha Rao should be appointed as a Convict Labour Maistry on Rs. 4 per day from 17th July 1953. This order was passed on 7—11th August 1956.

79. It was highly improper for the Special Engineer to employ a maistry at such a high wage without prior approval and to continue to make payment to him at Rs. 4 per day, in spite of the order of the Chief Engineer to the contrary. The Special Engineer had failed to make out a case that this man was so well-qualified as a Convict Labour Maistry as to entitle him to practically double the wages of a Maistry. The recommendation of the Chief Engineer to Government was improper in the circumstances of the case. The

recommendation of the Chief Engineer appears to be one in substance for payment of bonus for the alleged good work done by this maistry. The payment was being made to this man at Rs. 4 per day for nearly three years. If the Special Engineer had been circumspect and had acted according to rules, the Government would have saved about Rs. 2,000 on this head.

(*l*) Fabrication and Erection of Steel Trusses to Council Hall.

80. This work was given to the Central Industrial Workshop as their quotation was the lowest. The Superintendent had collected all the materials required for the work and was confident of fabricating the trusses required for the Council Hall by the middle of May 1955, as reported in his letter No. 250, dated 18th April 1955. But the Special Engineer and the Chief Engineer wanted to give this work to Messrs. Steel Construction Company at Rs. 35 per cwt. for labour portion only, the material being supplied to them by the Superintendent, Central Industrial Workshop. The cost of fabrication and erection by the Steel Construction Company worked out to about Rs. 60 per cwt. as against Rs. 46 per cwt. quoted by the Superintendent, Central Industrial Workshop for this work. The Superintendent protested against this. In his letter dated 20th April 1955 he said: "The subletting in this instance is being done *not because* the Workshop finds itself unable to manufacture and complete the work but because you *thought* it is desirable to have separate agencies to attend to Legislative Assembly and Legislative Council Halls roof work. As you are kindly aware, I have taken all the trouble to collect all the materials for the Legislative Council House and the fabrication offered no difficulty whatsoever".

81. In their Order No. Pro. 1132-35—R. B. 6-55-11, dated 30th May 1955, Government have sanctioned on the recommendation of the Chief Engineer to entrust the work to this firm without calling for tenders and at an increased cost of Rs. 9,000. The usual plea of urgency was urged.

82. Though the work was given to this firm at an additional cost of Rs. 9,000 on the plea of urgency, the work of erection was completed by the firm only in November 1955, *i.e.*, four months beyond the stipulated period. No agreement was taken from the firm, and they have been paid an advance of Rs. 26,068 and the final bill is not yet prepared. Unless a penalty can be imposed on this firm for late execution of the work, the State is put to a loss of Rs. 9,000 on account of taking away the work from the Central Industrial Workshop and giving it to this firm.

83. In view of allowing this rate of Rs. 35 per cwt. for labour portion, the Central Industrial Workshop claimed Rs. 58 per cwt. as against Rs. 46 per cwt. in all their future work and that was allowed by the Government Order No. P.W.D. 10733-34—651-52, dated 31st March 1956. This has involved an additional liability of Rs. 1,200. Moreover, instead of including the painting of steel trusses in the rate for fabrication and erection, separate charges were paid at the rate of Rs. 20 per ton. This has involved an additional liability of Rs. 2,770.

(*m*) Light Structural Work for the Ornamental Ceiling of the Council Hall.

84. On 10th December 1955, the Special Engineer requested sanction of Government to entrust the work of the Assembly Hall to Government Electric Factory at Rs. 80 per square. As regards the work of the Council Hall, it was stated that he would consult

the Steel Construction Co., if they would agree to execute the work at the rate of the Government Electric Factory, and that if they agree, the work will be entrusted to them ; otherwise it will be given to the Government Electric Factory. This letter was forwarded to Government by the Chief Engineer on 1st May 1956.

85. In forwarding this letter on 1st May 1956, the Chief Engineer informed Government that the work of the Council Hall was entrusted to Messrs. Steel Construction Co. Ltd., at Rs. 95 per square and sought approval. The usual plea of urgency was advanced.

86. As appears from the D.O. dated 9th—11th April 1956 of the General Manager, Government Electric Factory to the Special Engineer, the latter had not finalised the actual designs of the required structural work before it was entrusted to the Factory. During construction, several modifications and alterations were required by the Special Engineer. In view of this undecided design of the frame work, the factory had to depute a foreman to keep a record of the actual labour employed by their sub-contractor Shri Appaswamy in doing this work. When Shri Appaswamy fell ill and discontinued the work, it was found that the work done was only 10 squares while the actual cost incurred by Shri Appaswamy was Rs. 2,261. The Special Engineer therefore agreed to pay the General Manager Rs. 2,261 *i.e.*, Rs. 1,461 in addition to the contract rate of Rs. 80 per square. It will thus be seen that the delay by the Government Electric Factory was due to the incomplete design and several modifications made by the Special Engineer and the staff and it could not be attributed to any laxity on the part of the factory. The Steel Construction Company, although they were paid higher rates, had not completed the work by 15th May 1956. Having finalized the work at the cost of the Government Electric Factory, this work was given at a higher rate to the Steel Construction Company.

87. From a review of the circumstances, it is clear that attempts were made to favour the Steel Construction Company by giving them work at higher rates than others. It is to be noted that this Company was quoting higher rates from the beginning.

88. The loss to the State on this account is about Rs. 2,200 —(1,461+750).

(*n*) Interior Decorations.

89. At a meeting of Government Officers held on 26th February 1955 presided over by the Chief Minister, the Director and Assistant Director of Commerce and Industries were requested to arrange for donations from the several Government and Government aided concerns for incorporating " features " in the Vidhana Soudha Building. The Mysore Iron and Steel Works were asked to give the necessary fountains and lamp posts.

90. By Government Order dated 17th March 1955, a Committee was constituted for making recommendations regarding decorations, paintings, etc., depicting historical events and other features in the interior of the Building. An estimate of Rs. 10 lakhs submitted to the Committee was reduced to Rs. 5 lakhs as under :—

	Original Estimate	Modified Estimate
	Rs.	Rs.
208 paintings	5,00,000	3,30,000
Bronze Statues 10	2,50,000 (2)	50,000
Clay and Cement Models ..	50,000	25,000
Relief Works	50,000	Nil.
Ornamental Fountains ..	1,00,000	75,000
Miscellaneous	50,000	20,000
	10,00,000	5,00,000

91. No provision for this was made in the Rs. 130-lakh estimate.

92. *The Decoration Committee recommended fixing of stone tablets engraved with names of Ministers, Members of the Legislative Council, Members of the Legislative Assembly, Engineers, etc., responsible for the construction of the Vidhana Soudha.* It was stated that the size of the letters should be such that one could read *with ease from a distance of* 10 *feet or* 12 *feet.*

93. On 22nd September 1955, the Chief Minister suggested that the paintings should consist of the following :

(*a*) Painting of a Representative Assembly in Session in the Jaganmohan Palace.

(*b*) Features which have made Mysore famous ;

(*c*) Historical scenes pertaining to Mysore ;

(*d*) Irrigation and Hydro-Electric Projects ; and

(*e*) Places of scenic beauty.

94. The suggestion of this Committee that the expenditure on interior decorations should be deferred pending further examination made in the Preliminary Reports dated 20th August 1956 and 28th August 1956 was accepted by Government. The Government Order dated 25th August 1956 runs thus :—

> "It is ordered that paintings and Bronze Statues in Vidhana Soudha are not necessary. They may be deleted from the estimate. The remaining items *viz.*, clay and cement models and ornamental fountains are sanctioned and the work on these items may be continued.
>
> The purchase of Artists' materials to the extent of Rs. 2,000 (Rupees two thousand) is approved. The cost of paintings purchased or of getting them done may be met out of feature donations amounting to about Rs. 70,000.

By letter No. P.W.B. 4629-31, dated 1st September 1956, the Government informed the Committee that the expenditure on paintings will be limited to the amount available under feature donations.

95. The last meeting of the Decoration Committee was held on 20th September 1956. The Government Order dated 25th August 1956 was not placed before the Committee. In view of letter No. P.W.B. 4629-31, dated 1st September 1956, the Committee resolved to prepare separate statements showing the details of paintings already done and those to be done, limiting the total estimate to Rs. 70,000, equal to the feature donations received from the various industrial concerns It was pointed out that the estimate may include the cost of artists' material already purchased, the cost of paintings and models already prepared.

96. According to a list supplied to the Committee by the Special Engineer, the total amount of feature donations is Rs. 64,702 only.

97. List A annexed to the proceedings of the Decoration Committee is of 16 paintings already prepared, estimated to cost Rs. 17,083, including Rs. 2,650 for fixing and framing charges. Out of this, 7 paintings costing Rs. 1,900 are of the Vidhana Soudha—the front view of its main entrance, the view of the northern wing under construction, corner dome under construction, central dome, stone carriers and stone carvers.

98. List B annexed to the proceedings is of 31 paintings estimated to cost Rs. 41,514. Out of them, 5 are of historical events, 5 of natural sceneries and 21 of national leaders, including 3 ex-Chief Ministers estimated to cost Rs. 2,600.

99. Pursuant to the Government Order dated 25th August 1956, the Government Architect submitted to the Chief Engineer on 27th

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October 1956, an estimate of Rs. 70,000 for interior decorations as under :—

		Rs.
(*a*)	Paintings already done	17,083
(*b*)	Paintings to be done	41,514
(*c*)	Cost of clay and R.C.C. Models	5,000
(*d*)	Cost of marble fountain	5,000
(*e*)	Miscellaneous	1,403
		70,000

109. The Government Architect should also have brought to the notice of the Decoration Committee the Government Order No. P.W.B. 9537-41, dated 25th February 1956. That order directs,

> ".....if the donations are received without any condition attached thereto, the disposal of the amount being left entirely to the discretion of the Government, the donations received may be credited to 'Deduct—Receipts and Recoveries on Capital Account' and the expenditure incurred, debited to the Capital Head of the Account.
>
> If on the other hand, the donations are conditional and no amount of Government money is spent on the object for which donations are received, the donations may be credited to Public Works Deposits and the expenditure charged thereto. In the latter case, a separate estimate will have to be prepared in respect of the works covered by each donation for proper control over the expenditure against the donation."

The Government Architect should at least have taken notice of this order in preparing the estimate.

101. Chamarajendra Technical Institute donated a bronze statue of Nataraja costing Rs. 1,882-5-0. The expenses of installing it have to be met from the Works Funds. It is further to be seen whether the donations amounting to Rs. 64,702 fall within the first or the second category mentioned in the Government Order. The expenditure for purchase of artists' material to the extent of Rs. 2,000 and the expenses of installing the statue of Nataraja have to be met from the donations of the first category. The estimate for marble fountain should be separately prepared or included in this category if the funds permit. It is possible to reduce the items in List B and reduce the expenditure. For conditional donations, a separate estimate for each would be necessary.

102. The Government has already sanctioned an estimate of Rs. 3,000 for a model of Vidhana Soudha. It is to be seen whether that model has been prepared and the cost limited to Rs. 3,000.

103. The Committee considers that the expenditure of Rs. 1,900 referred to in para 97 was unnecessary, that some items in list B may usefully be reduced, and that a detailed estimate should be prepared in accordance with the Government orders.

(*o*) Marble Statue and Marble Fountain.

(i) *Statue of Cauveri Mata.*

104. The cost for a marble statue of 'Cauvery Mata' with ornamental pedestal of the specifications given in letter No. C.B.—C.S.—1881—55, dated 16—20th March 1956, from the Chief Minister, Coorg, to the Chief Minister, Mysore, was donated by Coorg Government, who desired it to be installed in front of the Vidhana Soudha. Contrary to this condition, the Special Engineer proposed to instal it on the western side which according to him is the western front of the Building.

105. The expenses of the statue and the ornamental fountain base are estimated at Rs. 35,000. But the approval of Coorg Government is not yet obtained, nor is the amount received. The other expenses of installing the statue are estimated to amount to Rs. 30,000. The Coorg Government had declined to pay these expenses.

106. In view of the merger, the question of contribution from Coorg Government does not arise. The Government will have to decide afresh the question of installation of a statue of 'Cauveri Mata', its location and the expenditure to be incurred for it.

107. According to the evidence of the Superintendent, Government Gardens, it would not be desirable to postpone the fountains provided outside the Building. No detailed estimate of these fountains, or even an approximate estimate of the probable cost for them, has yet been prepared. A provision for Rs. 2,60,000 is made in the Garden estimate. The question of the installation of the statue of 'Cauveri Mata' will have to be considered along with the fountains and other ornamental features of the garden. Sanctioned provision for ornamental fountains is only Rs. 75,000.

(ii) *Marble Fountain.*

108. On 31st January 1956, the Chief Minister ordered that the marble fountain may be secured from Messrs. Abdul Gani, Abdul Hakim, Marble Quarries and Mill Owners, Markana, (Rajastan) and fixed in the front Foyar Hall suitably.

109. On 1st February 1956, the Secretary of the Jamia Mosque and Muslim Charitable Fund Trust of Silver Jubilee Park Road, Bangalore, made an offer to the Special Engineer to sell a marble fountain for Rs. 3,500. It is stated in that letter that it was objectionable to instal the fountain in the Masjid premises as it contained birds and human figures, and that the Chief Minister had already inspected that fountain. On 11th February 1956, the Special Engineer forwarded the letter to the Chief Engineer with a request to convey sanction to purchase it. He added that the cost will be met out of the provision under "unforeseen and miscellaneous" in the sanctioned estimate of Rs. 130 lakhs. On 14th February 1956, the Special Engineer wrote to the Secretary of the Mosque to intimate the minimum price for which he was prepared to sell it. The reply was that it was explained to the Chief Minister at his visit that the fountain which was prepared under an order for Rs. 8,000 was sold to the mosque for a sum of Rs. 3,500 only as the order was cancelled because the fountain could not be delivered in time. It was added that the Hon'ble the Chief Minister had agreed to purchase it for Rs. 3,500 and that the institution had offered to sell because the installation of the fountain in the mosque was considered objectionable.

110. On 14th April 1956, the Chief Engineer moved the Government for approval to the purchase of the fountain for Rs. 3,500 and the Government accorded its approval on 9th August 1956.

111. On 29th March 1956, the Special Engineer asked the Secretary of the Mosque to give delivery of this fountain and he made the payment of Rs. 3,500 on 16th July 1956.

112. Two brackets of the fountain were found broken. The Secretary promised to replace them. Whether they have been replaced or not is not known. The record is silent on the point.

113. *No attempt was made to ascertain the real value of the fountain.* Even the Decoration Committee which was appointed to examine the suitability of the artistic decorations of the Vidhana Soudha was not consulted. It is difficult to accept *at its face value,*

the statement that the authorities of the mosque discovered after purchase that the fountain was offensive to Muslim sentiments. It must have been purchased after due examination. There is nothing to show that the Hon'ble the Chief Minister had agreed to purchase the fountain for Rs. 3,500. The Special Engineer or the Chief Engineer did not verify this statement. Nor was a mention of it made in the letter sent to Government. The letter dated 14th February 1956 from the Special Engineer to the Secretary of the mosque is inconsistent with the alleged agreement. The actions of both these officers were highly irregular.

114. The order of the Chief Minister did not direct the Special Engineer to by-pass the Decoration Committee. The subject should have been placed before the meeting of the Decoration Committee held on 2nd March 1956. Ratification of the Committee has also not been obtained. It cannot be said whether it will fit in with the decorative scheme of the Foyar for which it was intended and enhance the effect. The Committee is of the view that the Foyar would be better without a fountain. The Government Architect has now stated that he was told the idea to instal the fountain in the Foyar is abandoned ; and he says that it is unsuitable for installation outside the building.

115. This is an instance of irregular purchase made against rules and before it was sanctioned by the appropriate authority. The purchase should not have been made without the approval of the Decoration Committee. It has caused loss to the State.

(*p*) Documentary of Vidhana Soudha.

116. On 26th September 1953, the Secretary to the Chief Minister wrote to the Director of Public Instruction to make arrangements for the Sri Jayachamarajendra Occupational Institute to prepare a documentary film of the construction of Vidhana Soudha Building from the date of his inspection on 29th September 1953. In the early stages of the work, photographic views of works and progress were taken at a cost of Rs. 354. This expenditure was subsequently sanctioned by Government Order, dated 30th March 1954, and was made debitable to 'Contingencies'.

117. On 12th October 1953, the Principal submitted a detailed estimate for the documentary of 2,000 feet for Rs. 5,375. What happened to this estimate for about two years is not known. Acting on the letter No. 2834—T.E., dated 27th October 1955 from the Director of Technical Education, requesting sanction, Government sanctioned this estimate of Rs. 5,375 in their Order dated 31st March 1956.

118. By 15th July 1955, a film of 5,560 feet was taken.

119. On 1st September 1955, the Special Engineer forwarded to the Chief Engineer for obtaining sanction of Government, a so-called comprehensive estimate for Rs. 12,935, for the documentary received by him from the Principal. No details were given in this estimate, nor did the Special Engineer ask for them or care to scrutinize the estimate. No reference was made to the earlier estimate of Rs. 5,375. It was pointed out that there was no provision for it in the comprehensive Rs. 130-lakh estimate. The Chief Engineer returned the estimate for resubmission according to rules. The Chief Engineer enquired how the work was undertaken without prior sanction and asked for provision for meeting the cost. The Special Engineer did not comply with these directions but merely asked the Chief Engineer to comply with his demand to obtain sanction outside the Comprehensive Estimate of Rs. 130 lakhs. The estimate was again returned to the Special Engineer for necessary compliance.

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120. In the meanwhile, the Special Engineer by his letters, dated 28th October 1955 and 10th November 1955, directed the Principal to continue the work in anticipation of sanction and the work was carried on.

121. On 21st November 1955, the Special Engineer sought sanction of the Chief Engineer for Rs. 560 for certain photographs and colour prints mentioned therein. He did not specify whether these items were included in the estimate of Rs. 12,935 or were outside it. This was returned by the Chief Engineer directing him to submit a detailed revised estimate following the necessary procedure. Even this was not done. On 8th March 1956, the Special Engineer informed the Chief Engineer that the total cost of the documentary would come to Rs. 13,785 for which sanction of the Government was to be obtained.

122. On 10th April 1956, the Chief Engineer forwarded to Government " an estimate " for Rs. 13,785 for sanction. No details were furnished. By letter dated 12th May 1956, the Government asked the Chief Engineer whether this estimate was in lieu of the sanctioned estimate of Rs. 5,375 or in addition to it. He was also asked to furnish the details of the estimate. There does not appear to be any compliance of this Order till 29th October 1956.

123. As to the sanctioned estimate of Rs. 5,375, the Accountant General requested the Government to furnish the following particulars :

(i) The purpose for which the documentary film on the construction of Vidhana Soudha is proposed to be taken and the scope of the film.
(ii) The name of the Department to which the custody of the film will be entrusted.
(iii) The Department which will incur the expenditure in the first instance.

A copy of this letter was forwarded to the Chief Engineer to furnish the necessary details. This also does not appear to have been complied with.

124. In response to a query from the Committee, the Principal, informed it on 25th September 1956 that the estimate of Rs. 13,785 is the revised estimate of the sanctioned estimate of Rs. 5,375.

125. The Government sanction was for a documentary of 2,000 feet to be exhibited for about 30 minutes. As stated in the letter of the Principal dated 23rd August 1955 to the Special Engineer, the length of the documentary taken till 15th July 1955 was 5,560 feet. We have seen the documentary for the subsequent period which must be at least 1,000 feet. Thus, against a sanctioned documentary of 2,000 feet at a cost of Rs. 5,375, there is a documentary of about 6,500 feet whose cost is likely to be Rs. 20,000. At present, sanction is sought for Rs. 13,785 only.

126. The documentary was shown to us for 1½ hours. The film about Marshal Tito's visit which was not shown is said to have been spoiled. The documentary is poor. Except for two or three shots, it does not exhibit the architectural features of the Building. It is more or less a documentary of the inspections of the Chief Minister and work of chiselers and workers engaged in their work In our view, this expenditure was wholly unnecessary.

127. No doubt, documentaries are taken of public buildings to exhibit their magnitude and outstanding features of architecture. If a documentary of this nature had been taken for exhibition, say for about 30 minutes, the expenditure may have been justified.

128. This is one of the several cases where the Special Engineer has exhibited utter callousness to the requirements of the Departmental rules. As has been his habit, he has ignored the references from the Chief Engineer.

129. This is also an instance where there are great delays in the disposal of the files in the office of the Special Engineer and the Chief Engineer.

(*q*) Internal Telephones.

130. In 1955, there was a proposal to have internal telephone system in the Vidhana Soudha. Ultimately, the Indian Telephone Industries, Ltd., submitted an estimate for 200-600 line automatic exchange for the Vidhana Soudha with a supply of 200 telephone instruments. On 29th February 1956, the Special Engineer submitted this estimate of Rs. 1,60,000 to the Chief Engineer for scrutiny and sanction of Government. It was pointed out that there was no provision for this work in the comprehensive estimate of 130 lakhs.

131. At the meeting of the Technical Committee held on 9th January 1956, it was stated that there would be about 50 independent telephones and the others will have an internal connection with the private exchange to be installed by Messrs. Indian Telephone Industries, Ltd., that the Government of India may be addressed to link up about 10 lines of the private exchange to the Bangalore Auto-Exchange, and that the Electrical Engineer may be addressed in the matter to take action immediately. It was added that the work should be completed by 15th May 1956 at the latest. The Technical Committee had thus not given any authority to the Special Engineer to place an order for the equipment with the Indian Telephone Industries, Ltd.

132. In the letter dated 29th February 1956, it was stated that at the officers' meeting held in the chambers of the Chief Secretary on 24th February 1956, it was decided that the estimate received from the Indian Telephone Industries may be sent up for sanction and work started immediately. In the minutes of the proceedings of the officers' meetings made available to the Committee, there are no proceedings of any meeting held on 24th February 1956. This officers' meeting had apparently no authority to direct that the work be started immediately.

133. It will be noticed that there was no provision for telephone connections in the 130-lakh estimate and that the internal telephone system could not be joined to the Bangalore Auto-Exchange, as was made clear by the Divisional Engineer, Telegraphs, Bangalore, in his letter dated 31st January 1956.

134. In spite of this, on 9th March 1956, the Special Engineer wrote to the Indian Telephone Industries, Ltd., as under :

> " We confirm that the charges enumerated in the quotation is accepted by us, as such, you may take up the work immediately and arrange to supply the 200/600 Line Auto Exchange with allied equipment and 200 Telephone instruments."

The action of the Special Engineer is highly objectionable from every point of view.

135. On an enquiry from the Chief Engineer, the Special Engineer has informed the Committee on 28th September 1956 that the Chief Secretary has placed orders with the Posts and Telegraphs Department for installing 100 automatic phones in the Vidhana Soudha, that the capital costs will be met by the Posts and Telegraph Department and that the rental will be paid by the Government. On a further enquiry,the Special Engineer has informed the Committee that the Indian Telephone Industries, Ltd., has agreed to cancel the order after the position created by the order of the Chief Secretary was explained to them. On going through the file of the

Special Engineer, it is clear that there is no agreement. On the contrary, there is a protest. The record does not show that the company has made any claim for damages. If the order had been placed with a private firm, the Special Engineer would surely have made the Government liable in damages, and this is one of the several instances in which the Special Engineer has acted in excess of his powers.

CHAPTER XVII.

Transactions with Messrs. Kempiah Sons & Co.

(a) Cash Advances.

This firm was a contractor for the Accountant General's Office Building from about September 1953.

2. According to a statement furnished by the Special Engineer, he had made advances to this firm to the extent of Rs. 1,86,500 from 21st September 1953 to 4th September 1956.

3. In the report of Inspection of the accounts of the Division by the Financial Assistant of the Chief Engineer during September 1955, it is stated :

> " Heavy amounts are being advanced to Messrs. Kempiah and Sons and recovered in bills. The authority under which such advances are being made may be made clear ".

There was no compliance.

4. The Accountant General had also taken serious objection to such advances in his audit note for March 1956, and had called upon the Special Engineer to show any authority for such payment. While reviewing the accounts for June 1956, the Accountant General made the following observations :

> "Voucher No. 9 : Payment of advance of Rs. 6,000 to Messrs. B. Kempaiah and Sons. Payment has been made merely on a requisition from the contractor without obtaining the acknowledgment from the contractor. There is also no enfacement on the bill authorising the payment and the Divisional Accountant has also not signed. The circumstances in which the payment was made without conforming to the rules, may be stated. The authority for payment of advance may also be stated. It is further seen that there was already a balance of Rs. 5,865-8-0 against the contractor and the justification for payment of further advances may be clarified."

No explanation was offered.

5. By letter dated 6th October 1956, the Committee requested the Special Engineer to point out the provisions in the Accounts Code or elsewhere, or any Government Order authorizing such advances, the reasons for not discontinuing them when objected to by the Chief Engineer and the Accountant General and the reason for not recouping the advances from the bills of the month in which the advances were made. In reply, the Special Engineer stated that these advances were necessary to *provide the firm with cash and* to thereby secure the much needed progress of the work, that these advances must be regarded as secured advances against " progress secured " and that these advances were not recovered from the succeeding bills of the firm " with a view not to cripple the firm with a heavy deduction ".

6. These advances cannot be regarded as secured advances under the Mysore Public Works Account Code. Nor are they otherwise supported by any rule or covered by any competent sanction. In fact such advances are prohibited.* The Special Engineer could not constitute himself the financier of the tendered contractor. The Divisional Accountant had noted that these advances were " definitely open to objection ".

7. During the examination of the Chief Engineer on 19th October 1956, a copy of the statement of advances to Messrs. Kempiah Sons and Company was given to him and he was asked to state what action he had taken to prevent such advances. He told the Committee that he would enquire and make a statement.

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* Mysore Public Works Account Code, para 553.

8. In a demi official letter, dated 20th October 1956 to the Special Engineer on the subject, the Chief Engineer has stated,

> "While reviewing the Inspection Reports of the Accountant General in this office, definite instructions were conveyed to you from this office to put an end to the system followed by you as the same was contrary to Codal Rules and also objectionable in Audit. In spite of this mandate, you have continued this obnoxious system, and continued payment of cash advances to the tendered contractor almost monthly up to the end of September 1956, quite opposed to all Codal Rules and procedure. It is therefore clear that instructions issued have been wantonly flouted by you and you have acted in your own autocratic manner. I would therefore request you to submit your explanation within three days, as to the authority under which such heavy advances were made to the contractors in spite of repeated instructions to the contrary and as to why disciplinary action should not be taken against you.
>
> The matter may be treated as extremely urgent and your explanation submitted within the allotted time."

9. On 3rd November 1956, the Chief Engineer stated in his evidence that these advances were against the Codal rules, that the Special Engineer had made these advances in spite of the remarks of the Financial Assistant calling upon him to show the authority under which they were made, that the making of these advances was not brought to his notice by the Special Engineer and that he had asked him to show cause why disciplinary action should not be taken against him.

10. It is not known what explanation the Special Engineer has given and what further action the Chief Engineer has taken in the matter.

11. According to the statement furnished by the Special Engineer to the Committee on 25th October 1956, an amount of Rs. 15,082-13-0 is outstanding against the firm.

12. The Committee is of the view that the action of the Special Engineer is not a mere irregularity in the discharge of his duties but that it is an act beyond his authority and that he is, therefore, liable to recoup forthwith the outstanding advance together with a reasonable rate of interest at 6 per cent per annum on the entire advances and suggests such action being taken against him.

13. It is no doubt true that the liability of Messrs. Kempiah Sons and Company for these advances can be enforced against them in a Court of Law. But the Government will not get any interest on the advances in the absence of an agreement.

14. The firm has been receiving also advances secured on materials. A sum of Rs. 16,871 is outstanding on this account since 28th May 1955. On 22nd December 1956, the Divisional Accountant informed the Committee that this amount has been adjusted by debit to the deposit at the credit of the firm. This is erroneous. No adjustment could be made to the security deposit account until the claims are finally settled. The advances should have been recouped from the next bill of the contractor. But that was not done, though the work had practically come to an end in January 1956.

(*b*) Cement Loan Account.

15. There are several transactions of loan of cement to Messrs. Kempiah Sons & Co., Contractors of the Accountant General's Office. Such transactions not contemplated by the Accounts Code, are most irregular and are likely to lead to fraud easily. The Special Engineer ordered issue of cement bags as loans though both the Store-keeper and the Accounts Superintendent pointed out that it was against rules.*

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* Annexure LIX—Vol. III.

16. If under his contract, a contractor is entitled to the supply of material for the execution of the contract, the materials issued by the Division, have, under the rules, to be treated as sales to the contractor. There are such transactions of sale to Messrs. Kempiah Sons & Co., in addition to the transactions of loan. On some dates, both the transactions are to be found in the books. In all, 3,850 bags were issued to this contractor on loan from 8th March 1954 to 3rd May 1955. The first loan transaction amounting to 900 bags and the last transaction of 100 bags were not entered in the Issue Register. The rest are entered in the Issue Register as transaction took place and are supported by indents of the overseers on the usual printed forms countersigned by the Special Engineer. The total of such issues in a month is deducted from the monthly total of the issue register and the balance is taken into the regular stores account. But there is no corresponding record of the alleged receipts of cement in the receipt register and there is no evidence of the alleged returns besides the entries in a book styled as " Cement Register " by the Special Engineer. This book is not authorised by the Code.

17. This " Cement Register " purports to be an account of daily total receipts and issues and closing balances. At page 340 of this book, there is a ledger account of the contractor. From the detailed scrutiny of this book, we are satisfied that it is an unreliable document and cannot be taken as evidence of the return of cement bags. No other evidence is forthcoming. Under the circumstances, we are of the view that the value of 3,850 bags is liable to be recovered from the contractor if the contractor has in fact received the bags. Otherwise, the Special Engineer is liable to make good the value.

18. It is a serious matter that Government material should be issued from the stores, contrary to the rules. It is still more serious that all the issues have not been entered in the regular issue register and that the alleged receipts are not entered in the Receipt Register.

19. Assuming that these bags were issued in connection with the work of the Accountant General's Office, the appropriate course was to treat these issues as sales to the contractor. This would have entitled the Government to a 10 per cent on the price of the material. By this manouver, the Government is put to a loss of Rs. 1,925.

20. This matter requires an enquiry into the truth of the statement of the Store-keeper that these bags have been returned by the contractor. If this allegation is not established, the contractor must be made liable for its price and also for 10 per cent which would amount to about Rs. 21,000. The liability of the Special Engineer is several or at any rate in the alternative, he has designedly flouted the Codal Rules.

(*c*) PURCHASE OF JUNGLEWOOD PLANKS, SCANTLINGS AND REEPERS.

21. This firm is said to have sold its surplus centering material to the Division. It is unlikely that the firm had surplus material to sell. It is more likely that it might have sold used material to the Division as new. As against an indent for 400 c.ft., the firm is said to have supplied 1,268 c.ft. The Special Engineer refused to pay for the alleged excess supply; but later on, an indent for the surplus quantity was prepared and passed by the Special Engineer.*

22. To avoid possibility of malpractices, purchases from the building contractor working just near the Vidhana Soudha should

* Chapter XV, para 118.

not have been made. Since there is a very heavy deficit in the centering material, the above circumstances lead to a likelihood of malpractices. These transactions should be scrutinised along with the other trasactions regarding centering material.*

(*d*) PETROL BUNK.

23. Five trucks were working in the Vidhana Soudha Division from the beginning. Twenty-four trucks were added in December 1953. No contract to supply petrol was made. The Special Engineer was making purchases from Messrs. V. C. Kapur and Brothers without asking for a rebate. Such rebate used to be allowed by petrol dealers. As a matter of fact, petrol should have been purchased from a dealer under a regular contract made preferably through the Stores Purchase Committee.

24. Messrs. Kempiah Sons and Company who were the contractors of the Accountant General's Office Building, whose execution was in charge of the Special Engineer, made an application to him for permission to instal a temporary petrol bunk on the Vidhana Soudha site. Without caring to obtain the best possible terms, the Special Engineer sought permission of the Chief Engineer to allow the firm to instal a temporary petrol bunk, on condition that the dealer should give a rebate of Re. 0-1-0 per gallon on purchases by the Division. It was later increased to Re. 0-1-6.

25. Though the Chief Engineer twice pointed out to the Special Engineer that the Government was getting a rebate of Re. 0-2-0 per gallon at Nugu Reservoir Division and on 17th March 1954, specially directed him to consider this aspect, the Special Engineer pushed through his proposal and submitted a copy of the agreement to be taken from Messrs. Kempiah Sons and Company. As a matter of fact, he got the agreement executed by the firm and sent it to the Chief Engineer "for his information" on 12th April 1954. It appears that he also allotted a site to the firm to instal the bunk.

26. By his letter dated 14th April 1954, the Chief Engineer moved the Government for approval of the proposal of the Special Engineer. It was stated "that it was not proposed to run the petrol pump by Government agency as at Nugu Reservoir Works which has been fetching a rebate of Re. 0-2-0 per gallon". It is not borne out from the record that the petrol bunk at Nugu Reservoir Works was run by Government. It appears from the record that a site was allotted to the dealer who allowed Re. 0-2-0 per gallon rebate on the purchases by the Division.

27. On 1st June 1954, Messrs. V. C. Kapur and Brothers offered to allow a discount of Re. 0-2-0 per gallon and a further discount of 0-0-3 pies per gallon, if the bills were paid once a week. The Special Engineer ignored this proposal.

28. Messrs. Kempiah Sons and Company began selling petrol from his bunk from 3rd June 1954.

29. The proposal of the Special Engineer was approved by Government on 6th September 1954 for a lease for the period ending July 1955. The Special Engineer proposed renewal of the lease on the same terms and on 30th July 1955, the Government ordered its renewal till the Vidhana Soudha work was over.

30. From the correspondence of the petrol dealers in the file for a lease of a site on the Vidhana Veedhi for 5 to 10 years at a rent of Rs. 100 per month, it can safely be said that the Vidhana Soudha Division could have obtained a rent of Rs. 100 per month for a temporary bunk. The Corporation has been leasing out sites

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* Chapter XV, para 115.

for petrol bunks at Rs. 100 per mensem. Instead, the Special Engineer gave the site at a nominal rent of Rs. 5 per month. Instead of getting a rebate of Re. 0-2-3 per gallon offered by another dealer, he got a rebate of Re. *0-1-6* from the lessee. The total loss caused to the Division by the action of the Special Engineer amounts to about Rs. 5,000.

CHAPTER XVIII.

ECONOMIES.

On 20th August 1956, the Committee submitted its first preliminary report suggesting certain economy measures in further expenditure to the extent of about Rs. 25.85 lakhs.* It was not possible for the Committee to suggest any large scale economy measures as the work had almost reached the stage of completion, and there were commitments in the case of a few others. Government was pleased to accept these recommendations, except for some minor modifications reserving a few of the suggestions for further examination.† The consequent reduced figure of economy comes to Rs. 23.40 lakhs.

2. In regard to main dome, the height has been finally decided to be reduced to 175 feet above ground level against the originally contemplated height of 192 feet. Such reduction in the height and less ornate features to be adopted in its finish will, it is hoped, effect an economy of nearly Rs. 3 lakhs as suggested by the Committee.

3. The suggestion of the Committee to delete expenditure of Rs. 5 lakhs on decorations, paintings, art galleries, installation of statues, etc., was accepted by Government and expenditure was limited to the feature donations aggregating to about Rs. 64,000 received by Government from different Industrial Concerns.

4. As regards ornamental yard lighting, the saving is Rs. 10,000. According to the Superintendent, Bangalore Power and Lighting, the minimum requirement is Rs. 40,000, as against the provision of Rs. 50,000.

5. Government had accepted the suggestion of the Committee to defer the expenditure on office furniture for which a provision of Rs. 10 lakhs was made, In November 1956, Government have sanctioned an estimate of Rs. 1.85 lakhs for furniture for the Secretariat staff. This was apparently necessary on account of the reorganisation of the States. The Committee is of the view that the cost on office furniture should not be charged on the capital estimate of Vidhana Soudha.

6. Lumpsum provision outside the Rs. 130 lakhs estimate for the items of garden, fountains and layout, road formation and concrete roads aggregating Rs. 11.45 lakhs were made. The detailed estimates were not available to the Committee. Government accepted its suggestion to reduce the expenditure by about Rs. 5 lakhs. The resultant economies are as under :—

Item	*Provision*	*Expenditure*	*Savings*	*Remarks*
	Rs. in lakhs	Rs. in lakhs.	Rs. in lakhs.	
A. Garden	5.00	1.04	3.96	for layout of garden.
B. Fountains and Layout	1.50	1.00	0.50	
C. Road formation	0.75	1.03	(—0.28)	
D. Concrete Roads	4.20	0.75	3.45	
	11.45	3.82	7.63	

A. The Committee has suggested that there need not be a separate water supply scheme for sanitary fittings. The water supply from the bore wells can be used for that purpose as well. In the estimate of Rs. 1.59 lakhs of the water supply for the garden, the Committee has suggested a reduction of Rs. 16,000 and the remaining amount of Rs. 1.43 lakhs will be included in the estimate for water supply and sanitary fittings. There will be a saving in that estimate on account of the suggestion made by the Committee to adopt less costly fittings and reduced cost of the storage tanks and electric pumps, etc.

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* Annexure LX, Vol. III.

† Annexure LXI, Vol. III.

B. There are no detailed estimates as regards fountains and layouts. The Committee considers a provision of Rs. 1 lakh, adequate for this purpose.

D. Government has accepted the proposal that chip carpeting may be substituted for cement concreting of the roads. The estimate for chip carpeting according to the Committee, should be only Rs. 75,000. There will thus be a saving of Rs. 3.45 lakhs.

7. The provision in the Rs. 130-lakh estimate for doors and windows is Rs. 8.7 lakhs and for general wood work in the Cabinet room, Assembly and Council Halls, is Rs. 2.3 lakhs. According to the directions of the Chief Minister dated 30th November 1955, the following additional expenditure was also contemplated :—

	Rs.
(1) Furniture for the Chief Minister's room ..	1.00 lakh
(2) Furniture for the Cabinet room	0.35 lakh
(3) Furniture for the rooms of the Ministers and Secretaries	1.50 lakhs
(4) Additional Embellishments	0.75 lakh
Total ..	3.60 lakhs

The total provision for wood work and furniture was thus Rs. 5.9 lakhs. In its preliminary report, the Committee remarked that this provision was abnormally excessive and it should be possible to effect considerable economy without loss of efficiency. As the Committee was not in a position to know the progress on these items of work, it was suggested that further expenditure may be stopped pending detailed examination.

8. On 23rd June 1952, the Chief Minister told the Assembly that all the furniture that was prepared for the Assembly Hall in the Old Secretariat was so made that it can be transferred to the new building when it was ready. Later on, the Chief Minister appears to have changed his mind and ordered new furniture.*

9. Although the Government accepted the recommendations of the Committee, most of this work appears to have been carried out without obtaining specific sanction of the Government. Furniture of the Old Assembly House has not been used and it is not known how that furniture is proposed to be utilised. Since the Register of Works is not complete, it is not possible to ascertain the expenditure on these items.

10. In the absence of correct figures in the Register of Works, it is difficult to ascertain the economies effected on the constructional work.

11. In our view, by omission of intensive architectural embellishments, by effecting proper economies in execution and purchases and by saving under other items as discussed in the foregoing Chapters, there would have been a saving of about Rs. 60 lakhs. Some of the important items of such savings are :

	Rs.
(1) Architectural features, etc., about ..	44,00,000
(2) Electric Lights	7,80,000
(3) Forced ventilation	2,00,000
(4) Furnishing Assembly and Council Halls	1,90,000
(5) Gardens and Layouts	2,00,000
	57,70,000

The other details are given in the Annexure.†

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* Chapter XVI, para 16.

† Annexure LXII, Vol. III.

CHAPTER XIX.

TOTAL OUTLAY.

1. As per the consolidated register of works the outlay under several sub-heads as on 31st October 1956 is as under :—

	Estimate	*Booked outlay*
Building proper (including materials) ..	107.50	117.10 lakhs
Garages	1.00	0.32 „
Electric lights including mike arrangement	8.00	4.52* „
Water supply and sanitary fittings ..	5.00	2.20 „
Air conditioning	2.00	0.74 „
Electric lifts	2.00	1.17 „
Formation of roads	0.50	0.29 „
Furniture	1.50	0.15 „
Tools and Plant	0.50	0.13 „
Temporary buildings	0.50	0.16 „
Levelling the ground	1.00	0.31 „
Miscellaneous and unforeseen ..	0.50	0.25 „
	130.00	127.34 „
New supplies Tools and Plant	.. ..	3.90 „
Repairs to carriage of tools and plant	.. ..	1.30 „
Net debts of suspense ..	.. ..	1.64 „
		134.18 „

* The outlay according to Electrical Department is Rs. 6.74 lakhs.

Note.—These figures are as per monthly accounts sent to the Accountant General. They differ slightly from the consolidated register of works. The accounts figures have been adopted.

2. It will appear from the above statement that the outlays on garages and on roads which are practically complete are obviously incorrect. The actual expenditure for levelling the ground is, it is understood, about Rs. 6 lakhs, a portion of which has been transferred to " miscellaneous advances " as recoverable from persons to whom earth is said to have been sold. Again, purchase of heavy equipment and establishment charges are kept outside the estimate and are debited to a separate sub-head. So the consolidated register of works cannot give a correct idea of the total outlay.

2. The Special Engineer was therefore requested to furnish a statement of probable outlay. His account is as under :—

Based on accounts and the work register.

			Rs. in lakhs.
(1) Outlay to end of October 1956 ..			134.00
(2) Balance payments to be made—			
(i) Piece workers towards stone dressing work	2.00		
(ii) Forced ventilation	1.00		
(iii) Lifts	1.00		
..			4.00
(3) Balance works of—			
(i) Main dome	4.00		
(ii) Water supply and sanitary	1.50		
			5.50
(4) Balance works payments—			
(i) Works and payments relating to Assembly and Council Hall ceilings, pavements, trusses, etc.	3.00		
(ii) Wood work	3.00		
(iii) Flooring	3.50		
(iv) Electrical	3.00*		
			12.50
			156.00

* This provision is apparently not correct.

It provides for a total expenditure of 7.52 (4.52 plus 3.0), while the total electrical revised estimates are 16.19. There should thus be an additional provision of 8.67 lakhs.

Chapter XIX.

He did not take into account :

(1) Items not included in the Rs. 130 lakhs estimate.
(2) Establishment charges.
(3) Probable excesses over and above the workslips, already sent.

This account of outlay cannot therefore be accepted.

3. We have calculated the probable total outlay as under :

A. Sanctioned Estimate :—Rs. 130 lakhs.

B. *Workslips already sent.*

The total amount on these workslips has been Rs. 26,29,000 and the items covered by these are the domes, flooring, wood work, ceiling and dressing work of masonry.

The datas for several items of stone dressing work have still not been finalised ; the workslips on domes had indicated only Rs. 3,46,470 as the probable excess ; as against this, the Executive Engineer has since mentioned that the amount for the balance works alone, would be Rs. 4 lakhs.

In the submission of the workslips to the extent of Rs. 26.29 lakhs, the Special Engineer had mentioned that the figures are approximate. An extra allowance of about Rs. 1.00 lakh to cover all the items, will not be wrong.

C. Further Workslips.

There are other items of work which have not been included in the workslips already sent, and against some of which excesses have already resulted, while against several others, excesses are bound to result. The following are some of such items.

(*a*) *Items within the scope of the Rs.* 130 *lakhs estimate.*

Sl. No.	*Items of Work*	*Provisions in* 130 *lakhs estimate*	*Probable outay on completion of work*	*Excess*	*Remarks*
1	2	3	4	5	6
		Rs. in lakhs	Rs. in lakhs.	Rs. in lakhs.	
(i)	Construction of garages.	1.00	1.50*	0.50	*As per revised estimate figures.
(ii)	Electrical works (inclusive of speech reinforcement system).	8.00	16.19	8.19	*Vide* Vol. II Document 3
(iii)	Water supply & sanitary.	5.00	†2.20 ‡1.50 } 5.15 *1.45	0.15	†Booked expenditure. ‡Addl. amount required as per Ex. Engineer's statement (para 2). *Exp. on account of bore well scheme.
(iv)	Road alround Vidhana Soudha.	0.50	1.78	1.28	As worked out by the Committee inclusive of chip carpeting (b) work.
(v)	Levelling the ground.	1.00	6.00	3.00	Includes cost of carriage and repair ; credit is given for Rs. 2 lakhs for amount realisable on the sale of earth.
(vi)	Tools & plant	0.60	3.90 0.40 —— 4.30 ——	Lorries, etc. Bench saw, etc. 3.00	Booked under T. & P. Credit is given for 0.80 lakh for realisations by sale on completion of works.

Sl. No.	*Items of Work*	*Provisions in 130 lakhs estimate*	*Probable outlay on completion of work*	*Excess*	*Remarks*
1	2	3	4	5	6
(vii)	Ornamental retaining wall in south east corner and treatment.	7,710	0.50	0.43	
			Total	16.55	

(b) *Items outside the 130 lakhs estimate.*

(vii) Establishment (Permanent).	..	4.52 0.48	5.00	Allowing for completion of works.
(viii) Steel racks ..	..	2.00 (Probable)	2.00	..
(ix) Partition walls	..	0.50 (Probable)	0.50	Work being carried out at present as a supplemental work.
(x) Additional Sanitary Works	..	0.25 (Probab'e)	0.25	Work necessitated with addl. provisions of equipment for Asst. Secretaries rooms.
(xi) Pavement alround the building.	..	0.40	0.40	Supplemental estimate submitted for sanction.
		Total ..	8.15 lakhs.	

D. Allied Works.

The expenditure to be incurred for the layout of the garden is Rs. 1.04 lakhs, and for ponds and fountains in front of the building, should be at least Rs. 1 lakh. This total amount of Rs. 2.04 lakhs is a legitimate debit to the Vidhana Soudha estimate.

E. 12 Second-hand Dodge Vehicles.

The cost of the twelve second-hand Dodge trucks with the additional tyres, etc., to the extent of Rs. 2.14 lakhs should really be a debit on the Vidhana Soudha Estimate, even though they were transferred to other Divisions, as many of them proved unserviceable. Recovery by sale is extremely doubtful. At any rate, it is negligible and is omitted for consideration.

4. The net cost on the above items would therefore be :—

ABSTRACT.

			Rs. in lakhs.
A.	Sanctioned estimate	.. ..	130.00
B.	Workslips already sent,	.. ..	26.29
	-Further excess anticipated	.. ..	1.00
C.	Additional workslips to be anticipated	(a) 16.55 (b) 8.15 ..	24.70
D.	Allied works	.. ..	2.04
			184.03
E.	12 Second-hand Dodge Vehicles	.. ..	2.14
		Total ..	186.17

CHAPTER XX.

CONCLUSION.

This enquiry into the state of accounts of this huge project costing nearly Rs. 185 lakhs, the scrutiny of the expenditure having due regard to its nature, magnitude and purpose, and our findings of extravagant expenditure, avoidable waste, questionable transactions, inefficient execution, unsatisfacory state of accounts, indifferent supervision, constant interference of the Chief Minister and the consequent demoralisation, etc., has impelled us to make the following general concluding observations.

2. In the context of the goal of full Socialistic Order of society, in our Sovereign Democratic Republic, the Sovereignty of the people is not to be depicted in the House of Legislature by making it the biggest, most beautiful and stately structure in the State, with ostentatious architectural embellishments reminiscent of the Princely Order. It is not necessary to impress upon the people their own sovereignty by such display of wealth. The aim should be to make the House of Legislature austere, dignified and spacious with architecture appropriate to the functions of the building and embodying distinction that comes from simple outlines and good proportions rather than from ostentatious ornament. It must not be forgotten that the objective of our development plans has been to raise the standard of life of the common man and to establish equality in all respects by eliminating all disparities of wealth, social status, opportunities, etc. Every available pie has to be conserved for the development of the country. Severe restrictions have been placed on the private sector of industry and the people with a view to establish this equality. In these circumstances, anything ostentatious will be looked with disfavour.

3. An important lesson to be learnt is that execution of building works of this magnitude should not be done departmentally unless there are compelling reasons to do so. The pre-requisites of departmental execution, *viz.*, competent, experienced, honest and diligent engineers, proper organization for execution and maintenance of accounts, are difficult to secure in these days of large scale development projects. There is already a dearth of competent and experienced engineers. Departmental execution of large projects requires close supervision by the Administrative machinery, which is not able to cope with its increasing responsibilities. Execution of large building schemes should therefore be given on contracts even though the apparent cost may be somewhat higher. Such execution is bound to prove economical in the long run.

4. The fundamental rule that commencement of the execution of a Public Work shall not be definitely authorized by any authority whatever, unless properly detailed designs, estimates (including estimates for purchases of stores required), etc., have been prepared and approved, is a golden rule and must, on no account, not even on the ground of urgency, be ignored. It must be the responsibility of the highest authority ordering execution of any project to provide suitable safeguards for its economical execution, for checking expenditure and for maintaining accounts to satisfy audit and the public. Callous disregard has landed the State in a heavy avoidable liability.

5. When the first estimate of Rs. 23 lakhs came up for consideration by Government, it appears to have been felt that the cost was rather high considering the resources of the State and that the estimate should be reduced to Rs. 10 lakhs. But even though the financial situation was not better, this ambitious scheme of a combined building for the Secretariat and the Legislature was launched regardless of cost.

6. Although the executive knew that the work as per approved plans would easily cost over Rs. 80 lakhs, they designedly put up an unworkable abstract estimate for Rs. 50 lakhs for administrative approval, as the Public Works Minister appeared to have been firm that the cost should on no account exceed Rs. 50 lakhs. We have not come across consideration of this estimate by the Cabinet.

7. While the Rs. 50 lakhs estimate was under execution, costly deviations were made under the orders of the Chief Minister without any sanction and regardless of cost. Whether the Chief Minister was competent to issue such orders when it involved an outlay more than double the ceiling limit of Rs. 50 lakhs for the building prescribed by Government is not clear. No consideration was given to the financial implications.

8. The executive accepted the instructions of the Chief Minister as orders of Government and considered them adequate to cover the large excesses that they were incurring, without the normal procedure of obtaining competent approval or sanctions.

9. As has been admitted, even the Rs. 130-lakh estimate was a deliberate underestimate by at least Rs. 15 lakhs and did not include several items chargeable to the project. The ultimate outlay will be more than Rs. 180 lakhs.

10. What control, if any at all, the Finance Department exercised over such wasteful expenditure being incurred without sanction, at a time when Government had to borrow for meeting its normal expenditure is not clear. The fact that the Chief Minister was also the Finance Minister and the Public Works Minister for Vidhana Soudha, appears to be the answer. If this is so, and if the finances of the State are to be properly safeguarded, it would not be prudent to combine the finance portfolio with that of any spending department such as Public Works, Electrical, Industries, etc. It would be natural for a Minister of such Department to approve as Finance Minister his own proposals or schemes, however, objectionable they may be from the financial point of view.

11. While it is appreciated that Ministers have to keep live contact with affairs to implement the policies adumbrated by them, we consider that as far as possible, the functions of the executive in carrying out the policies should be unfettered.

12. In pre-independence days, the sanction to every estimate over Rs. 1 lakh was a scheduled matter, *i.e.*, it had to be considered by the Cabinet. This practice has been given up. The old procedure was in its own way very useful in that the whole Cabinet had an opportunity to consider the undertaking of such works in relation to their need, urgency and availability of finance. The Cabinet could consider the financial implications in relation to the resources, recurring cost involved, etc. They could also examine whether there were any other items requiring higher priority. The adoption of this healthy procedure with suitable modifications seems desirable.

13. Another important lesson is that with the dearth of trained and adequate accounts personnel under the control of the Chief Engineer, it has become difficult to organize account sections for the proper maintenance of accounts for departmental execution of work. It was the experience in this case and it is the experience in other projects that for want of sufficient proper staff, the account sections are not organized from the commencement of work, that some staff is posted when the accounts are more or less in confusion, that with inadequate staff and accounts in confusion, the situation deteriorates, with the result that the main object of maintenance of accounts, *viz.*, economical execution of work is more or less defeated.

Chapter XX.

14. The Public Works Accounts Code is at present quite a complicated one. The rules are elaborate and the forms very complicated. Unless one has worked in a Division Office, it is difficult to understand them. The question of suitably amending the code at an early date may be examined.

15. It would perhaps be very useful also, if a small brochure is prepared for the guidance of officers explaining generally the manner of keeping accounts, the registers to be maintained, what purpose they serve and how they dovetail into one another. The checks to be exercised at each stage should be clearly brought out. The forms should be self-explanatory and their number reduced. The idea is that the officers should be made to have a grip on the accounts and take an intelligent interest in their maintenance.

16. In view of the demand for accounts staff for the various large-scale projects, it is absolutely essential to form an accounts cadre whose recruitment and promotions should not be guided by any consideration other than efficiency. Communalism, sectarianism and nepotism must be eschewed altogether. Mistakes of inefficient workers in accounts cannot be rectified except at a heavy loss to the State. The present system of keeping this staff under the Chief Engineer has not been and is not likely to be conducive to efficiency. The accounts cadre must be under a separate Department under a qualified Head. We feel that it is time to take stock of the affairs and to revive the institution of the State Controller.

17. As we have found in this case, and the two expert witnesses have concurred, the present system of post audit by the Accountant General is ineffective. It is essential to have a system of pre-audit in works of larger magnitude especially when they are executed departmentally.

Burden on the Taxpayer.

18. As already stated, the outlay on the Vidhana Soudha project would exceed Rs. 180 lakhs. In view of the fact that the budget is deficit, this expenditure must have been from borrowings. If this debt is to be wiped out, in say, ten years, Rs. 18 lakhs a year would have to be set apart from the revenues for its repayment. In addition, there will be an interest charge amounting to about Rs. 7.2 lakhs a year. This would of course get reduced as the sinking fund accumulates. Thus in the first few years, the net expenditure on revenue account over this project excluding its maintenance would be about Rs. 25 lakhs. The cost of maintenance would be an additional charge.

19. Expenditure of money on unproductive capital works, particularly from borrowings, requires serious consideration by the persons entrusted with public funds. The taxpayer expects that such expenditure of a large magnitude would not be incurred in a casual manner. They expect that the financial implications and impact of such schemes on the present and future resources of the State would be seriously considered. In the instant case, this does not appear to have been done. The result is that at a time when money is badly needed for our development programmes, quite a lot has been wasted on this building with unnecessary architectural features and designs which could easily have been avoided. If the authorities had constructed two buildings instead of one, there would have been a saving of Rs. 60 lakhs. The building could have been located at least to the northern side, or, at any rate, the basement level could have been raised. If this had been carefully thought out, there would have been a saving of at least Rs. 4 lakhs.

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* Witness No. 18, para 15, Vol. II, page 75.

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20. We are thankful to Government for the prompt action taken on the interim recommendations of the Committee, for affording facilities and for placing at our disposal records for the purpose of the enquiry. We are also thankful to the Director of Printing for his unstinted co-operation in getting the report and enclosures printed with all convenient speed.

21. Lastly, we place on record our sense of gratitude to our Secretary, Shri K. S. Malle Gowda, Assistant Commissioner, Shri K. Padmanabhan, Executive Engineer, Shri S. P. Nanjundappa, Deputy Comptroller, and to the staff, for their loyal and ungrudging co-operation. Often times, they had to work late hours to enable us to complete our work as early as practicable.

(Sd.) P. P. Deo,
Chairman.
30th December 1956.

(Sd.) B. S. Raghavendra Rao,
Member.
30th December 1956.

(Sd.) M. Narasimhaiya.
Member.
30th December 1956.

(Sd.) K. S. Malle Gowda,
Secretary.
30th December 1956.

SUMMARY.

Government constituted the Vidhana Soudha Enquiry Committee, to examine the State of Accounts and to scrutinise the expenditure on the Scheme. The Committee commenced its work on 4th August 1956.

CHAPTER I—INTRODUCTION.

Persons and Associations interested in the enquiry were requested, by notifying in the Press, to send their statements in writing on matters indicated in the Terms of Reference. Individual letters were also addressed. (Para 2).

When the Committee first visited Vidhana Soudha soon after starting their work, it was noticed that a large number of items had almost reached the stage of completion, the scope regarding economies in further expenditure being very restricted. The Committee suggested to the Officer-in-charge that further execution of the work on items which could conveniently be deferred may be deferred.

A Preliminary Report was submitted to Government pointing out that economies to the extent of *about 25 lakhs of rupees* were possible and that work on these items may be deferred pending further examination and final report.

The Government accepted almost all the suggestions.

In matters which required immediate attention, the Committee submitted reports and recommendations from time to time. These recommendations were also accepted by Government with some minor variations. (Paras 4—9).

A Preliminary Report on the state of accounts was submitted to Government on 10th September 1956, indicating that they were not satisfactory, and no heed had been paid to the remarks of the Public Accounts Committee. (Para 10).

CHAPTER II—BRIEF HISTORY.

In March 1948, the Government directed the Chief Engineer that a separate and spacious building should be put up for holding the Sessions of the Representative Assembly and the Legislative Council and also for their offices. "The Residency area was considered suitable for development into a Parliamentary Town". The plans were ready in April 1951. The Foundation Stone of the Building was laid by the Prime Minister on 13th July 1951. The cost of the first stage of the main block amounted to Rs. 23.64 lakhs. On this basis, the total cost for the whole building would have been Rs. 33 lakhs. In view of the acute financial condition, Government were unwilling to incur even this expenditure. (Paras 2—8).

Shri K. Hanumanthaiya, who was then the President of the Provincial Congress Committee did not approve of the architecture of this building on the ground that it was of plain American style. Immediately after he became the Chief Minister in April 1952, he directed preparation of plans for a *combined building* to accommodate the Houses of Legislature, the offices of the Ministers and Secretaries to Government, etc. (Para 9)

CHAPTER III—BUILDING COMMITTEE.

On April 23, 1952, a Committee was constituted by Government to consider all aspects and evolve a suitable design for the buildings, more of an Indian Style than one of a purely western style. At the meeting of the Building Committee held on 25th July 1952, the Chief Minister gave directions to the committee in detail to evolve a design for the combined building. At the same time, he instructed that the work may be done departmentally by piece-work and amani system.

Accordingly, Government passed orders on 24th September 1952, sanctioning the formation of a Public Works Division under a Special Engineer for the construction of Vidhana Soudha.

The Chief Minister finalised the plans and elevations about the 27th August 1952, dropping his idea of calling for competitive designs. The plans were placed before the last meeting of the Committee held on 3rd November 1952. The plans were approved by the Cabinet shortly afterwards, and they were sent to the Executive Engineer, Buildings Division, Bangalore, for preparation of detailed estimates. (Paras 1—6).

The Government Architect submitted a draft report of the Building Committee in June 1953. It was circulated to all members except two. The Government Architect forwarded the complete report with plans to the Secretary of the Committee on 4th January 1954. A meeting of the Committee was not held to finalise the report. It was also not circulated to members for approval. The report and plans were submitted to the Government on 6th January 1954 *without the countersignature of the Speaker*. It was necessary to convene a final meeting of the Building Committee to approve the plans and report. The report, therefore, cannot be said to be that of the Committee.

The Chief Minister should have left the Committee to its deliberations and awaited their plans and report. The unanimous suggestions of the Committee to omit the end domes was flouted by the Chief Minister. These domes have been built at a cost of Rs. 3.84 lakhs. Several major deviations in designs and architecture involving a huge sum of Rs. 35 lakhs, have also been effected without reference to the Committee. The Technical Committee was also ignored.

The Standing Technical Advisory Committee was reconstituted by Government with effect from 1st December 1953. Although several questions of importance within the cognizance of this Committee arose during the execution of this work, this Committee was also not consulted.

The Chief Minister constituted himself the final authority in the matter of architectural features including finalizing designs, changes and additions to the structure, etc. (Paras 7—13).

CHAPTER IV—THE BUILDING AND ITS ARCHITECTURE.

Description of the building :—

Forced Ventilation, Lighting and Sound Reinforcement.
Legislative Council Hall.
Banquet Hall.

Secretariat proper.
Lobbies and Staircases. (Paras 1—10).
Architecture and Decorative Works. (Paras 11—15).

The Chief Minister gave instructions to the executive now and again to imitate the architectural features found in different buildings and temples, etc., in the State. Whether their adoption has produced an integrated architectural effect or not is a matter for experts to judge, The Director, Archæological Department of the Government of India does not consider so. The Government Architect, Sri B. R. Manickam stated before the Committee that he then considered ornamentation unnecessary for a building of that nature. Shri B. V. Narayana Reddi, General Manager, The Bank of Mysore, stated that for Secretariat and other offices he would prefer a plain building without any ornamentation. (Paras 16—19).

The direction of Sri Hanumanthaiya to the Building Committee was " That sovereignty had been shifted from Palace to Legislature and therefore the building should depict this transfer of power ".

In his view, *nothing was too costly*, no scale was too great, in the construction of Vidhana Soudha, intended to be " the biggest and most beautiful and stately structure in Mysore State ". Financial considerations, fundamental principles of economic execution of Public Works were therefore brushed aside. (Paras 20 and 21).

CHAPTER V—SEPARATE BUILDINGS FOR THE HOUSES OF LEGISLATURE AND SECRETARIAT OFFICES.

The Secretary, Mysore Legislature has stated that it is necessary " that the portion made available to the Legislature Secretariat is separated off from the rest of the building ". Originally, the plans approved by the Speaker were for Houses of Legislature and Legislature Secretariat only. The plans of the Vidhana Soudha should have had the approval of the Speaker.

The intention of Shri K. Hanumanthaiya could have been better carried out by having a simple building for the Secretariat offices and another building with " Ornamentation and embellishments " for the Houses of Legislature. That would have effected a saving of about Rs. 60 lakhs.

Shri Hanumanthaiya expressed the view that it is better to have the Legislature and the Secretariat Offices in one building and gave his reasons. (Paras 1—5).

The building with two floors for the Houses of Legislature estimated to cost Rs. 33 lakhs had all the accommodation required for the Houses of Legislature, Chambers of Ministers and Legislative Offices. Making ample provision for such items as Speech reinforcement, air-conditioning, etc., the maximum cost of the Houses of Legislature would have been about Rs. 46 lakhs. (Para 8).

The floor area of the Secretariat and other offices in Vidhana Soudha is 3,55,085 square feet, of which 1,49,860 square feet is usable, giving a percentage of 42.2, while the percentage of usable area in the Accountant General's Office is 57.3.

Its cost based on the cost of the Accountant General's Office would be Rs. 63 lakhs. Making a provision of Rs. 10 lakhs for

special features as in the case of the Bombay Secretariat buildings, separate garages, etc., the total cost of a separate building for the Secretariat and other offices would have been about 73 lakhs. (Paras 9 and 10).

The final expenditure of Vidhana Soudha is likely to exceed Rs. 180 lakhs, after allowing for the economies that have been effected as a consequence of the interim recommendations of this Committee. Otherwise, the figure would have exceeded Rs. 200 lakhs. (Para 11).

By construction of two separate buildings at a cost of 46 and 73 lakhs, respectively, there would have been a saving of about Rs. 60 lakhs. (Para 12).

CHAPTER VI—LOCATION OF THE BUILDING.

The present site is claimed to be the ideal site for the Vidhana Soudha in view of its proximity to the Old Secretariat Building and other offices, and its situation centrally between Civil Area and the Old Cantonment area. But, the clearing of the earth itself has involved a heavy expenditure of about Rs. 6 lakhs. Secondly, the area has become congested and Vidhana Soudha has no direct approach from the south to the front portico. Nor has it spacious grounds in front and all round befitting its magnitude.

Dr. Krumbiegel had suggested the location of the building further north and opposite the vacant area between the Old Secretariat and the Insurance Office. This location would have given more spacious open area round the building. It would not have also involved heavy earth work clearance and formation.

It was suggested that the building could have been located on the old parade grounds. This would have provided large open areas and approaches from all sides for this imposing buildings and it would not have been far away from the other office buildings.

No survey has been made of alternative sites. The question of alternative sites and saving of cost has not received the attention it deserved on account of the extreme haste with which this was being pushed through. (Paras 1—6).

The total quantity of earth cleared is of the order of 3.5 lakhs cubic yards costing Rs. 5.3 lakhs. Including the cost of the work still to be got completed, the final figure is anticipated to be 6 lakhs in addition to the cost of nearly Rs. 1 lakh for the embankment, masonry ornamental retaining wall, steps and railings on the South-Eastern Corner. The meagre provision of Rs. 50,000 for levelling the ground, made in the Rs. 80 lakhs estimate was reduced to Rs. 20,000 in the Rs. 50 lakhs estimate. These under-estimates were designedly made. (Paras 9—11).

The location of the building at a different place altogether would have been desirable from every point of view. In the alternative, the building should have been located on the northern part of the same area. By adopting the changes suggested in the report, it would have been possible to effect a saving on all counts of about Rs. 4 lakhs. (Paras 12—18).

CHAPTER VII—ESTIMATES.

It is a fundamental rule that the commencement of the execution of a public work shall not be definitely authorised by any authority whatever, unless detailed designs and estimates have been prepared and approved.

In case of urgency, the Chief Engineer may authorise commencement of a work. In such a case the Divisional Officer must immediately intimate to the Accountant General that he is incurring a liability for which there is no sanctioned estimate and intimate the amount of liability approximately. (Paras 1—5).

On the observations of the Public Accounts Committee, in their reports for 1949-50, and for 1950-51, regarding the Lakkavalli and the Tunga Projects, that there was delay in the submission of estimates, etc., the Chairman, Shri K. Hanumanthaiya, who was then the Chief Minister and Finance Minister, himself observed that " the difficulties were there, but the point was that administrative and technical sanction as well, should have been obtained before the Scheme was commenced ". (Paras 6—10).

On the Inspection Report of the Accountant General of the Vidhana Soudha in March 1955, the Estimate Committee observed that " where large public funds are involved, care has not been taken to ensure economy as the works have been executed without a duly sanctioned estimate and the Finance Enquiry Committee has similarly stated that the practice of starting works and even completing them without any estimates, was said to have assumed serious proportions and in that case, it was necessary to regulate the expenditure on works strictly in accordance with the provisions of the Public Works Account Code, etc., and in bad cases the officers responsible for avoidable and wasteful expenditure should be surcharged. (Paras 13—15).

Shri K. Hanumanthaiya who is evidently responsible for this project never bothered about the question of cost at any stage. He got the plans of the building prepared, ordered execution of work departmentally, made various deviations as and when it struck him, and got a building of his choice constructed. He stated in the Legislative Council in February 1956, that the formalities of preparing estimates and obtaining sanction therefor before starting work were not observed in the case of Vidhana Soudha, as the work was not entrusted to any contractor. The strange view that no estimate is necessary if the work is to be executed departmentally, is taken to justify the otherwise unjustifiable action. (Paras 17—18).

Because of commencement of the work without finalised plans and estimates, the building which intended to cost about Rs. 30 to 40 lakhs will now cost more than 180 lakhs, notwithstanding the economies of over Rs. 20 lakhs ordered by the Government on the recommendation of the Committee. It cannot be gainsaid that all this was designedly made to force the hands of Government to find whatever funds may be required for this huge scheme conceived and designed to cost two crores or more. (Paras 23—24).

CHAPTER VIII—METHODS OF EXECUTION.

Recognised methods of carrying out works in the Public Works Department are (*a*) by Tender contract, (*b*) Departmental (Amani or/and Piece-work). Generally for buildings tenders are always called for. (Paras 1—4).

In Vidhana Soudha Division, except for flooring, all the items in actual building work were got done departmentally, the major portion being on Annani and the rest by piece-work.

The Chief Minister gave directions that the work may be done departmentally. But the matter did not receive due consideration by the Department before they adopted this method. Even the Special Engineer's proposal of certain portion of the work being done by contract was not followed. There was no serious intention to give work to any of the contractors who responded to the notification calling for tenders for certain items of the work. The specifications, etc., had not been drawn up carefully. (Paras 5—9).

Excepting for timber work, *i.e.*, doors and windows, special panelling in the Assembly and Council Rooms which was carried out satisfactorily, and dressing work where irregularities occurred in respect of grant of advances to piece-workers and piece-work contractors, ordinary items of work on the building such as masonry, R.C.C. roofing, plastering, etc., were all got done through labour engaged on daily wages, materials being supplied. Under the circumstances, it was essential that datas approved by competent authorities were available for guidance. But the number of datas approved has been only 22 *while as many as* 580 *datas are still in various stages of disposal.* The works are almost complete. The register of works which would have served as a guide had not been maintained. There was no sanctioned estimate in the earlier stages and the sanctioned estimate was not adhered to at later stages. (Paras 9—19).

There was no proper organisation for execution and maintenance of accounts. The Special Engineer (Mr. Muniappa) had no experience of large works undertaken departmentally nor had he any knowledge of Public Works Accounts.

So, conditions necessary for economic execution of work by departmental agency was absent. (Paras 19—24).

CHAPTER IX—ORGANISATION.

The question of organisation did not receive the attention that was needed to ensure economical and efficient execution of this large work.

The Government Architect who had to prepare all plans and detailed working drawings, particularly, in regard to intricate architectural features that were decided upon by the Chief Minister was given sufficient staff as and when asked for for the heavy work involved.

A Special Division was constituted for the construction.

Under the Code, the Chief Engineer, the Superintending and the Divisional Engineers have distinctive important functions to discharge both as regards execution and accounts. (Paras 1—8).

Vidhana Soudha Division work should have been properly organised for (*a*) Designing and Technical Scrutiny, (*b*) Execution and (*c*) Accounts.

There was no designs section and in its absence, there was no proper co-ordination and uniformity of designs for identical items in sections of the work under different sectional officers. This aspect

did not receive the attention either in the office of the Superintending Engineer or the Chief Engineer. The design for the Central Dome and the change in height that had to be made subsequently is a case in point.. (Paras 9 and 10).

It would have been desirable to form Sub-Divisions with a view to have compact units both for execution and accounts. They were formed only for purposes of execution. Even the requests from the Sectional officers for adequate clerical staff were not heeded and the distribution of work amongst the sectional officers was not even. The staff for accounts in the Division was quite inadequate. The repeated warnings by the Accountant General had, had no effect. The Chief Engineer failed to discharge his responsibility in this regard, the Special Engineer not taking any interest whatever in respect of organisation. (Paras 11—15).

The Stores Section where transactions were innumerable, was under-staffed and the state of accounts is serious. The Special Engineer did not inspect and see for himself what was needed. (Paras 16 and 17).

This confusion was aggravated by the targets fixed from time to time arbitrarily by the Chief Minister, without regard to reality which led to hectic efforts.

It must be said that but for the drive of the Chief Minister and the willing response of the executive staff the work would not have been complete even by now. (Para 18).

The Superintending Engineer and the Chief Engineer did not function at all. The Special Engineer ignored the superior officers presumably under the cover of overall direction by the Chief Minister. This became more pronounced when Mr. Muniappa was promoted as Superintending Engineer but continued to function as Executive Engineer working directly under the orders of the Chief Engineer. The procedure and conduct adopted by him in regard to the flooring contract is typical of this attitude. (Paras 19—22).

Government had constituted a Committee to decide the details that may arise from day-to-day relating to designs, rates, architectural features, etc. It consisted of the Government Architect, the Special Engineer and four other officers with the Chief Engineer as Chairman. The proceedings do not show that they grappled with the problem before them and arrived at independent decisions. (Paras 23 and 24).

CHAPTER X—Rs. 50 LAKHS AND Rs. 130 LAKHS ESTIMATES AND THEIR COMPARISON.

The detailed estimates prepared in the first instance amounted to Rs. 80 lakhs providing slightly higher rates for certain items than the schedule rates of the Buildings Division. It included the cost of services such as water-supply, lighting, etc.

As Government wanted the expenditure to be limited to 50 lakhs, the Chief Engineer gave directions that the above estimate might be reduced to this figure. It was done by deleting provision for all services and reducing the rate arbitrarily.

By the time this specific direction was given by Government in writing, work had already registered substantial progress. It was

impossible to limit the outlay to this figure except by structural alterations or omissions and by adoption of an austere elevation. The Government Architect was not consulted in regard to this. (Paras 1—4).

This imperfect estimate was put up for administrative sanction. All the while the Department was aware that the cost would be much more. The plinth area was 4,21,000 sq. ft. and the Third Floor also had been ordered by the Chief Minister, to be put up. But provision therefor was not purposely included.

Government sanctioned this estimate in June 1954, again with a definite direction that the cost of the building proper should not exceed 50 lakhs. By the end of May 1954, the outlay was already 25 lakhs. The direction of Government was manifestly unrealistic.

It is not clear how even one year after the work was started, submission of detailed estimates was not found possible. (Paras 5—8).

Rs. 130 lakhs estimate.

Government was repeatedly asking for detailed estimates from February 1954. Only administrative sanction was obtained for an estimate of 50 lakhs knowing full well that even for a building alone this was an under-estimate. The work progressed rapidly without these estimates. An abstract for Rs. 120 lakhs was submitted to Government. The figures given were only on guess work. By March 1955, when the detailed estimates were submitted, the outlay had exceeded 44 lakhs. The enormous deviations from the provisions of the estimates for 50 lakhs had neither been reported nor covered by Supplemental estimates in accordance with rules. (Paras 9—15).

There were several discrepancies in this estimate. Even totals were wrong. The Chief Engineer submitted it without scrutiny to Government. When the Government returned it to the Special Engineer, the Special Engineer made some major alterations without the notice of the Chief Engineer and sent it back directly without even intimating him.

Both the Chief Engineer and the Special Engineer admitted that the provisions made were too low as, for example, for Central Dome, Side and Corner Domes. They had been reduced from the figures given by the Sectional Officers knowingly. The Chief Engineer also admitted, and the Special Engineer stated, that the former had asked the latter to limit the estimate to 130 lakhs though the Chief Engineer knew at the time that under certain items the provisions made were quite inadequate.

As in the case of 50 lakhs estimate, this was also a deliberate under-estimate. Knowing this, the Chief Engineer forwarded it to Government for sanction and thus failed to discharge his duties as professional adviser to the State.

The comparison between the two estimates shows that the excess is mostly under architectural features and embellishments to the extent of Rs. 46,36,736. (Paras 16—26).

Changes in architectural features from those in the 50-lakh estimate are many and varied.

Carved wood-work, intricate designs of ceiling plasters, features for windows opening into the quadrangle have all been proposed

in the 130-lakh estimate. It is evident that changes were introduced from time to time regardless of cost and without any eye to economy.

The Chief and Superintending Engineers did not function at all and the technical committee did not discharge its duty. (Paras 27—29).

CHAPTER XI—(a) ELECTRICAL ESTIMATES.

An estimate amounting to Rs. 12.154 lakhs submitted to Government was returned to reduce the same as the provisions were found to be excessive. It was reduced to Rs. 8.154 lakhs which was sanctioned.

The work to instal ceiling fans had been ordered to be deleted. But this work has been done providing the points; fixing up the fans only has not been done.

This estimate has been largely exceeded by 5.14 lakhs on account of excess on sound-reinforcement system and superior fittings provided as per instructions of the Chief Minister. (Paras 1—6).

Even the provisions made in the 8.14 lakhs are excessive in regard to illumination of both Assembly, Council Halls, and the Office rooms.

By judicious planning, it was possible to effect economies without loss of efficiency. (Paras 7—11).

CHAPTER XI (b)—VIDHANA SOUDHA GARDEN, WATER SUPPLY AND SANITARY FITTINGS AND FIRE FIGHTING EQUIPMENT.

Government accorded sanction to the Expenditure of Rs. 13,700 by the Garden Superintendent for the initial layout for the year 1955-56. This provision was made in the budget grant of Public Works Department. It should have been made chargeable to Vidhana Soudha.

The provision of Rs. 30,000 for layout of gardens in the Rs. 80 lakhs estimate was designedly deleted in the Rs. 50 lakhs estimate. No provision was also made in the estimate of Rs. 130 lakhs in spite of a resolution in March 1955 that the work of the layout of the garden should be entrusted to the Superintendent, Government Gardens who should complete it by the end of December 1955. (Paras 16—18).

Though the Superintendent of the Residency complained that a nursery near the Guest House and kitchen would aggravate the mosquito and fly nuisance, no heed was paid to the same. (Para 20).

Without paying heed to it, the Special Engineer has of his own accord decided to have a nursery and masonry tank for the Vidhana Soudha Garden, and the Chief Engineer has sanctioned it without needful enquiry. (Para 21).

The Garden Superintendent has informed the Committee that the total Garden estimate would be Rs. 5.83 lakhs, with Rs. 13,700 already sanctioned. This would be Rs. 5.98 lakhs.

The above estimate includes Rs. 1.59 lakhs for water supply from bore-wells, which Government has sanctioned and ordered debit to 40. Agriculture, H. Botanical and other Public Gardens. For ornamental fountains, a provision of Rs. 2,60,000 is made in the above estimate. The Garden Superintendent considers that the fountains in the Quadrangles may be postponed, but not those outside the building. It will be necessary to scrutinise the estimate, when presented, with an eye for economy. (Paras 22—29).

A provision of Rs. 1,04,000 for the layout of gardens round the Vidhana Soudha and between Vidhana Veedhi and Old Public Offices is included in the above sum of Rs. 5,97,000. The Superintendent may be directed to execute the work as economically as is reasonably possible. (Para 30).

The Committee suggested that the construction of the Staff Quarters should be deferred pending further examination and this was accepted by Government. (Para 31).

The provision for a pump house and store-office is excessive. By reducing sizes to the optimum, the cost could be reduced by at least Rs. 3,500. (Para 36).

The provision made for Staff-Quarters is Rs. 23,000. In the Committee's view, provision for only a twin-quarter for two persons at a cost of Rs. 7,000 would be necessary. (Para 37).

The water supply distribution system is not carefully planned. Considerable saving can be effected in this item. (Para 40).

The Special Engineer has sent to the Superintendent, Government Gardens, an estimate for Rs. 25,600 for ornamental parapet for the Motor Garages and end-steps for his countersignature on the ground that the parapet formed a feature of the gardens. This is incorrect. It should have been included in the garage estimate, forming part of the Rs. 130 lakhs estimate. (Para 41).

The annual provision of Rs. 12,200 for the maintenance of water supply is excessive. The Committee also considers excessive the estimate of Rs. 54,946 for the recurring expenditure of gardens. This estimate should be scrutinised. (Para 42).

The Committee considers that the Capital cost of the entire gardens estimate in so far as it relates to the Vidhana Soudha Garden and the estimates for water supply should have been included in the outlay for the Vidhana Soudha and not charged to the Garden Department. (Para 43).

A lumpsum provision of Rs. 1 lakh for water supply and Rs. 2.5 lakhs for sanitary fittings made in the Rs. 80 lakhs estimate was deleted from the Rs. 50 lakhs estimate. (Para 44).

In September 1954, the Chief Engineer submitted to Government for sanction an estimate for Rs. 6.98 lakhs. On the instructions of the Chief Minister, this was reduced to Rs. 5 lakhs. (Para 45).

Government directed, while sanctioning the above estimate, to delete the provision for Individual Sanitary fittings for the Secretaries and Assistant Secretaries. The sanctioned estimate, therefore got reduced to Rs. 4,16,400. (Para 46).

The first proposal was to have a *daily* supply of four lakhs of gallons for 5,000 persons. This was manifestly absurd. In the sanctioned estimate, a provision for 90,000 gallons a day was made.

As per details worked out and the evidence of the Executive Engineer, the Committee find that the provision of 20,000 gallons a day would be adequate. (Paras 49—54).

In the sanctioned estimate, there is a provision for six storage tanks on the top of the building with a total capacity of 32,000 gallons. The 14,000-gallon tank nearing completion and the 2,000-gallon tank already constructed are sufficient to meet the needs; the other tanks need not be put up. (Paras 55—56).

In order to provide 20,000 gallons a day, a 4 H.P. pump would be more than adequate and this would cost about Rs. 1,200, while the price of the pump of 15 H.P. intended to be installed is Rs. 4,800. (Para 57).

The underground tank built is of 50,000 gallons, while a tank of 8,000 gallons capacity would have been quite adequate. (Para 58).

A provision of Rs. 19,600 for running a pipe-line alround the building for garden water was wholly unnecessary, as water for the garden was to be obtained from the bore-wells in the Sampangi Stadium area. (Para 60).

There has been an avoidable expenditure of Rs. 50,000 on account of this bad planning. For a reasonable requirement of water for the sanitary fittings, an estimate of Rs. 50,000 would have been adequate. (Para 61).

Though the sanctioned estimate for sanitary fittings is Rs. 2.68 lakhs, the anticipated savings would according to the Executive Engineer be Rs. 1.5 lakhs. The actual outlay would therefore be about Rs. 1.18 lakhs. This includes provision for 25 water closets and 25 wash-hand basins for Secretaries and 40 wash-hand basins for Assistant Secretaries. This work was done in spite of the express Government Order. No subsequent sanction has been obtained. (Para 62).

In November 1955, the Chief Minister ordered that an " up-to-date bath tub with water spray and hot water " may be provided in the ante-room of the Chief Minister's Chambers. The Stores Purchase Committee proceeded to purchase the bath tub and other sanitary fittings costing about Rs. 6,620. The Committee informed the Government that the proposed expenditure was extravagant and should be dropped. Government accepted the suggestion. (Para 63).

The estimate of Rs. 13,200 for maintenance establishment may be reduced by Rs. 3,768. (Para 65).

The District Superintendent, Armed Police, has communicated his requirements to the Special Engineer. No action on this has been taken by the Special Engineer, except to forward the letter to the Chief Engineer. Separate provision is not necessary on this score. If hydrants of a special type are required, this may be provided. (Paras 67—69).

The Committee's recommendations are :—

The overhead tanks may be limited to two.

The water from the bore-wells in the Sampangi tank area may be used for all purposes. The water is stated to be fit for drinking. If necessary, it may be chlorinated. Filtered water for the Bangalore Water Supply System can be drawn only in an emergency.

The Distributing System should be carefully planned so as to utilise the existing pump mains, etc.

Additional bore-wells may be sunk if necessary.

A twin-block quarter for a watchman and helper may be constructed.

The Committee considers that the present arrangement of taking drinking water from wash-basin taps in lavatories is hardly desirable and recommends that separate taps for drinking water should be provided. (Para 75).

CHAPTER XI (c)—VIDHANA VEEDHI AND CEMENT CONCRETE ROADS ALL ROUND VIDHANA SOUDHA.

Vidhana Veedhi comprises two sections :

(1) From Queen's Road to Cubbon Road and

(2) From Cubbon Road to Residency Park Road. (Para 77).

The estimate for the first section for Rs. 4,10,000 was sanctioned by Government as a self-supporting scheme. The cost of acquisition also is included in the estimate. The total expenditure was to be recouped by sale of abutting plots. (Para 78).

The estimate for the second section for Rs. 1,95,600 was sanctioned by Government subsequently. The Government ordered that the cost of the scheme shall be borne by the City Improvement Trust Board because the scheme was self-supporting. This was manifestly a mistake because there were no plots on the sides of the second portion of the road to be sold. (Para 79).

A lumpsum provision of Rs. 1,00,000 for the cement concrete roads all round the building made in the Rs. 80-lakh estimate was deleted in the Rs. 50-lakh estimate. (Para 83).

A provision of Rs. 50,000 was made for forming the roads in the Rs. 130-lakh estimate. Against this provision an estimate for Rs. 1,02,350 for formation of Macadom roads and drains round the building was sent by the City Improvement Trust Board to the Special Engineer for his countersignature. This work has been completed by the Trust Board. An estimate for Rs. 4,23,000 for cement concreting the macadom surface of the road was sanctioned. (Paras 84—85).

The suggestion of the Committee made in its Preliminary Report to effect substantial economies in this expenditure was accepted by Government. (Para 86).

The Executive Engineer, Buildings Division, has since informed the Committee that Chip carpeting work will be taken up instead of cement concreting of the road. (Para 87).

The cost of chip carpeting should not exceed Rs. 75,500. There would be a saving of about Rs. 3.8 lakhs by substituting chip carpeting for cement concrete. The total cost of the roads round the building would come to about Rs. 1.78 lakhs while the provision in the sanctioned estimate is only Rs. 50,000. (Para 89).

CHAPTER XI (d)—TOOLS AND PLANTS.

The provision made in the Rs. 130-lakh estimate is Rs. 50,000 and booked outlay against this is only Rs. 13,000. Several items of expenditure rightly debitable to the building estimate have been charged off to other heads, *e.g.*, Rs. 3,90,379-12-0 for purchase of lorries, concrete mixtures, etc., and Rs. 5,34,129 for purchase of tractor and two scrapers. Two scrapers and two tractors from Bangalore Division and two Bulldozers from Agricultural Department at a total cost of Rs. 3,80,000 were obtained for this purpose. But the cost has not yet been debited to this Division.

Similarly with regard to maintenance, the charges are debited to 81—Capital outside the revenue—Tools and Plants—repairs and carriage of tools and plants. (Paras 90—95).

XI (e)—GARAGES.

There was no provision in the Rs. 50-lakh estimate but as indicated in an abstract for Rs. 120 lakhs sent to Government, the intention was to have 15 underground garages and 500 cycle stands on the southern side.

A lumpsum provision of Rs. 1 lakh was made in the Rs. 130-lakh estimate for 30 garages. However, an estimate for Rs. 1.5 lakhs had been sanctioned for the construction of 50 garages on the northern side. It was intended that the top of the roofing of these garages was to form part of the Residency Park. To be in keeping with the architecture of the main building which is in close proximity, the parapet was designed to be of an ornate character, etc. In the preliminary report, the Committee suggested certain modifications resulting in a savings of Rs. 32,000. (Paras 96—102).

On account of the present location, the total cost including the ornamental parapet and the heavy earthwork comes to Rs. 3.15 lakhs. If the garages had been built in a less conspicuous place away from the building, the cost would not have been more than Rs. 61,500. There would have been a savings of Rs. 1.53 lakhs. (Para 103).

XI (f)—OTHER INSTANCES.

A few instances which are typical of the manner in which the works have been carried out in disregard of all rules of procedure and cost leading to extravagant expenditure are given below:

Domes.

In the Rs. 80-lakh estimate a provision of Rs. 5,32,610 was made for the domes. In the Rs. 50-lakh estimate, this provision was *arbitrarily* reduced to Rs. 3,72,827. (Paras 1 and 2).

Although the Chief Minister had instructed in 1953 alone, that with the construction of the third floor, the height of the dome may be increased after examining this aspect, the Special Engineer did not communicate this to the Assistant Engineer, nor direct him to defer the work till the question of the height and the consequent modification of cost and design was finalised. This would have avoided the awkward situation that has developed now. The estimates of the Central Dome 161 feet high (on the original basis) was prepared for Rs. 8.66 lakhs. Though the estimate was in excess of the provision made in the Rs. 50-lakh estimate by nearly Rs. 5 lakhs, the work was allowed to proceed without competent sanction. In

the Rs. 130-lakh estimate, this estimate for the dome was reduced by Rs. 45,000 without any reason. The present estimated cost comes to Rs. 15.05 lakhs. (Paras 4 and 5).

The altered drawing for a 192 feet height of the Central Dome was approved by the Chief Minister in November 1955. Till this period the work was proceeding *on the* 161 *feet basis* and had reached the third floor level. The work was being done at nights at an extra cost as the Chief Minister was urging its completion by December 1955. (Para 6).

In December 1955, the Assistant Engineer submitted calculations for the altered design for approval and proceeded with further execution in accordance with this. In the meantime, further additions and alterations were made which *added to the load* and the cost. The calculations were revised and submitted but no approval was received. In June 1956, doubts were felt by the Executive Engineer in charge of the Section in regard to the strength of the main pillars bearing the dome and a report was sent to the Special Engineer by the Executive Engineer in charge and as no orders were received, he stopped the work in July 1956. The Department has since reduced the height of the Dome by 17 feet.

In the Interim report submitted to Government, the Committee pointed out that it was possible to effect a saving of about Rs. 3 lakhs in the Central Dome by a suitable modification in design, etc. (Para 10).

In November 1956, the Executive Engineer received for execution a modified drawing reducing the height to 175 feet. (Para 11).

No report was submitted to Government in regard to the deviations of heavy excesses till the work-slips were sent in September 1956.

It will be seen from the above that in a matter of such great importance involving the safety of the structure, the Special Engineer and the Chief Engineer have not discharged their duties. It is difficult to explain the reckless manner in which this work was handled except on the hypothesis of demoralisation caused by the interference of the Chief Minister in the day-to-day execution of the work. (Para 12).

The Corner and Secondary Domes.

Provision made for these in the Rs. 80-lakh estimate was omitted in the Rs. 50-lakh estimate and in the Rs. 130-lakh estimate, a provision of Rs. 80,000 for the four corner domes and Rs. 20,000 for the two secondary domes was made. The Sectional Officers had estimated the total cost at Rs. 2.2 lakhs. This was cut down to Rs. 1 lakh as above. The cost as per work slip is Rs. 3.8 lakhs. Here again is an instance of unrealistic provision in the estimate extravagant expenditure on the items without sanction, etc. (Paras 118—122).

Trusses and Ceiling for Assembly and Council Halls.

In the sanctioned estimate of Rs. 130 lakhs, a cost of Rs. 2,48,150 for the trusses, roofing and ceiling and drainage is provided. According to the work slip, a total excess expenditure of Rs. 3,21,920 has been incurred, the cost now being Rs. 5,70,070. (Para 1).

The Technical Committee selected holoplast and fibre glass for the ceiling in view of their fire-resisting and sound absorbing properties without the consideration of the additional cost involved. Sanction of Government was not obtained for this abnormal excess. (Para 2).

Cut Stone Pillars, etc.

The provision made in the estimate for the pillars, etc., was Rs. 5,48,580. The cost is likely to exceed by Rs. 3,26,620 as the work-slip shows a cost of Rs. 8,85,200. All this was done without any sanction.

CHAPTER XII—ACCOUNTS.

In order to get a general idea of the actual condition of the accounts a test audit was conducted, the accounts of four months being selected at random.

The Store Accounts were generally reviewed. The detailed accounts of some important materials like cement, iron, casuarina poles and centering materials were gone through.

For a proper appreciation, it is necessary to have an idea of the system of accounting.

The Divisional Officer is the Primary Disbursing Officer and is responsible for the maintenance of accounts correctly and in accordance with rules, the accounts being compiled under his supervision by the Divisional Accountant. The accounts should not be allowed to fall into arrears.

The actual cost of work done is to be exhibited through as simple a process as possible but with thorough accuracy.

For the convenient execution of accounts, Divisions are to be divided into sub-divisions the sub-divisions maintaining the necessary initial accounts, *viz.*, Muster Roll, Measurement Book, Cash Book, the Daily Abstracts which include Labour Reports, Works Abstract, Daily Account of Receipts and Issues of Stock and Tools and Plant.

Muster Rolls are important records for the labour employed and they should be written up daily. They should record correct classification of work, cost of labour by works of sub-head of work, progress of works done for the wages of labour are drawn on the muster rolls.

Measurement books are the most important records and are the basis for all the accounts of work done and the materials received and used. The bills are prepared on the basis of the measurement books which should be written clearly and correctly.

The labour reports should show the number of each class of labour employed on each work. The Division Office should verify these reports with reference to the Nominal rolls. (In Vidhana Soudha Division, the labour reports were being submitted on pieces of paper noting different category of labour. The Accountant-General also observed the defects of such labour reports).

The Works Abstract is a record in detail showing cash, stock and other charges on each work. Its submission by the Division and scrutiny of by the Division Office is essential.

Materials-at-site account shows all the materials brought on to the site of work for being utilised. It is the responsibility of the subordinates who receive the materials to account for the same.

The Sub-Divisional Officer should submit the materials-at-site account every month to the Division Office in addition to other accounts, *viz.*, Register of Works, Contractor's Ledgers, etc. It is the duty of the Divisional Accountant to examine these Returns and see that they are received in a complete state and that they are prepared correctly in all respects. He should also audit these accounts as per rules.

Although the Accountant General inspects the accounts of a Division, the Chief Engineer is not relieved of his responsibility for the maintenance of the authorised accounts.

It is the responsibility of the Chief and Superintending Engineers to keep a vigilant watch over the working rates. They should inspect the Divisions in detail.

The Vidhana Soudha Division was constituted with a Special Engineer, six sub-divisions and one extra Assistant Engineer to assist the Special Engineer. The Sub-Divisions were, however, not formed into accounting units, nor alternatively was the Division and Stores staff suitably strengthened to meet the heavy work involved. The Special Engineer who had no experience of such big works carried out departmentally could not foresee the requirements.

If Sub-Divisions had been formed as accounting units, they would have been responsible for maintenance of the accounts in their offices and the Divisional Accountant would have had more time for essential checking up of accounts.

The Divisional Accountant who told the Committee that Sub-Divisions are necessary and are also required by the Account Code, did not advise the Divisional Officer to form Sub-Divisional Accounting Units. The Special Engineer's contention that regular sub-divisions were unnecessary is unconvincing.

It is no wonder that the State of accounts is chaotic. As the 'C' Registers were incomplete, the Special Engineer had no means of watching the expenditure. At the time the work was started, the entire control of the accounts staff had been transferred to the Chief Engineer. The entire responsibility for the proper maintenance of accounts devolved on the Chief Engineer.

The Chief Engineer who is the administrative authority both on the administrative and Accounts side was completely ignorant of the state of affairs.

The Accountant General has conducted six inspections from October 1953 to June 1956. A special report was made to Government in March 1954, pointing out several grave irregularities. He says that the accounting system does not meet the requirements of the executive or audit. He adds, " there could be no check either on the materials issued or labour employed in order to ensure that no quantity of materials was issued in excess of actual requirements and that the labour employed have turned out the full quantity of work expected of them ".

He warned that any delay would result in confusion and the position cannot be retrieved without considerable difficulty later on.

All this was not heeded to and the matter continued as they were. The decision to execute such a big work "departmentally" and to start in anticipation of sanction to the detailed plans and estimates and without proper arrangements for keeping accounts and for the necessary internal checks was most unfortunate. Sri V. T. Srinivasan has stated in his evidence, "if due to any defect in the procedure, irregularities occur, it will be very difficult at a later stage to fix responsibility or to properly disentangle the accounts relating to Stores and materials used on the works and the detection of misappropriations or frauds become well nigh impossible". This is the exact state of affairs of this Division.

The decision to start the work departmentally was taken on 24th July 1952 while the actual commencement of the work was in February 1953. The interval could very well have been utilised for proper arrangements regarding accounting matters.

Though the Accountant General has pointed out that the accounting system followed in the office is far from satisfactory, the Chief and Superintending Engineers have not inspected the Division Office even once in four years. They had no satisfactory explanation to offer.

The Financial Assistant inspected the Division in September 1955 and made some observations. They were not attended to and the old practice for *e.g.*, issuing advances to Messrs. Kempiah Sons & Co., continued. The Chief Engineer did not make any observations and did not issue definite instructions to the Special Engineer to refrain from repeating at least the major deviations.

The Chief Engineer has stated in one of his letters to the Committee that as the Division is being frequently inspected by the Accountant General and the Inspection Reports reviewed in his office, inspections of departmental officers will be redundant. This cannot be accepted. There are many Account-*cum*-technical matters which can be correctly tackled by the Chief Engineer himself.

The Chief Engineer has treated the questionnaire in Form 'B' as routine and has discarded it even before the Government have accepted his proposal to do so. The Questionnaire in Form 'B' is essential and necessary.

The Chief Engineer's contention that the periodical inspection is a routine work seems to be strange in as much as the inspections have to be conducted in the discharge of his responsibilities.

The Chief Engineer delegated his powers regarding inspections to the Deputy Chief Engineer who also did not conduct any inspections.

The attitude of the Chief Engineer and his justification of the omissions are ununderstandable.

CHAPTER XIII—THE STATE OF ACCOUNTS AND ITS PRESENT POSITION.

The Store Accounts discloses that they were most imperfectly maintained and serious irregularities in postings, in the Issue of Indents and in the Preparation of Half-yearly Returns were noticed. (Paras 2 and 3).

The notes regarding steel and cement accounts are illustrative of all types of irregularities observed in the posting of these registers. (Para 4).

Indents have been issued on slips of paper though printed books were available. The indents did not contain sufficient details. In some cases, they have been signed by the Store-keeper himself. (Para 5).

Indent Books with machine numbered leaves should have been used. (Para 6).

Entries of issues made earlier are omitted and interpolations observed. (Para 7).

Stock receipts and issue registers are not in proper form. The pages should be machine-numbered. The maintenance of Store-Ledger in Card Index loose leaf ledger form suggested. (Paras 8 and 9).

The Stores Ledger should be completely checked up and correct balances arrived at. (Para 10).

Half-yearly counting certificates are not being submitted to the Accountant General regularly. Certificate for September 1955 and March 1956 are not yet submitted. (Para 11).

Large differences exist as per half-yearly return and the monthly accounts and no attempt has been made to reconcile them. (Para 12).

As proper counting has not been done at any time, a suggestion was made to Government to get a physical verification of the stock both in Stores and at Site made and this was approved. (Para 13).

This was not done as the Special Engineer stated that all the officers were busy and this could be taken up after the urgent works were completed. (Para 14).

Government were again addressed who replied that suitable instructions were being issued. (Paras 15 and 16).

In spite of this, necessary arrangements were not made. At our instance, a few articles selected at random were checked. (Para 17).

As no later figures were available, figures for March 1956 were taken and as the book and counted balances differed, counted balances were taken. (Para 18).

Discrepancies between monthly figures as checked and those sent to Accountant General were found. (Para 20).

Results of verification and comments on the same. (Para 21).

The results of counting show that the *alleged* counted balances on 31st March 1956 are incorrect or entries have been made in the registers without corresponding issues. (Para 22).

Proper account of released materials is not maintained. A Register has been opened recently and entries therein are incomplete. Discrepancies in entries relating to M. S. rods. (Paras 23—24).

The stock of steel has not been counted at any time. This has not been done in spite of Government orders. This should be got done *immediately*. (Para 25).

No attention is paid towards the materials-at-site accounts which have not been properly maintained or regularly received in the Division Office and checked. The Division Office shelved these returns. The cost of materials is not charged off in the 'C' Registers relieving the Suspense head.

The annual verification of materials-at-site has not been done. The Accountant General has also referred to this. This should be got done simultaneously with the counting of stores. (Paras 26-27).

In the absence of these accounts, work registers are not properly posted. Omission of charging the value of stores and adjust the same in the Works Registers has contributed largely to the confusion in these accounts. The position today is that nearly Rs. 55 lakhs is outstanding adjustment. (Para 31).

The Rolls of supervisions show that in several cases, materials in excess of requirements have been issued. (Para 32).

Works Abstract.

In the absence of Sub-Divisions, these were prepared in the Division Office. As the value of stores were omitted, they served no useful purpose. The Divisional Officer has not examined these. (Paras 33—34).

Register of Works.

The Register contains a record of expenditure to sub-heads of work. This is to show to the Divisional Officer the progress of works, the rates at which they are carried out and to control excess or deviations. (Para 35).

This most important register was not maintained till April 1954. 'C' Registers were then maintained and posted till February 1955. These were not maintained correctly as nature of materials issued to works were not incorporated. (Paras 36—37).

Even the Registers opened by the Special Staff for clearance of arrears were not in the prescribed form, separate registers having been opened for labour and materials. No half-yearly issue rates have been given to the special staff. (Para 38).

The Special Engineer was requested to post extra men to complete the registers to give the Committee, totals of quantities and values as per execution. This was also reported to Government. (Para 39).

Subsequently, when the rates to end of March 1956 were asked to be given, the Special Engineer stated that the rates were fantastic and he could not accept the postings. (Para 40).

These rates were given by him only. He had not checked these registers after the rates were approved by him, when these rates had been fixed.

Neither the Special Engineer nor the Accounts Department cared to see what work was being done and whether the registers

were being posted properly. The Chief Engineer did not take any interest in the matter in spite of Government Order. (Paras 41—42).

The Register of Works does not show expenditure by sub-heads in respect of the items for which lump sum provision has been made in the Rs. 130 lakhs estimate. (Para 43).

The postings in the works registers separately made for water supply and sanitary fittings have been most imperfectly done. (Para 44).

Defects in postings enumerated. (Pras 45—47).

Although there was a separate Assistant Engineer for this work he disowned all responsibility. (Para 48).

In the absence of these work registers, no proper check was possible. The Committee could not also check rates and quantities with those as per execution. (Para 49).

Work Slips.

Whenever the expenditure is likely to exceed the estimate, work-slips should be submitted to the higher authorities describing the nature and cause for the excess, though there have been excesses under several heads. No work-slips were prepared as the work progressed.

There are excesses over Rs. 50-lakh estimate. No work-slip was sent on the plea of revision of the estimate. Again there have been excesses over the Rs. 130 lakhs estmate. Five work-slips amounting to Rs. 26.29 lakhs have been sent only in August 1956, without mentioning any reason for the excess. It is seen that there are further excesses and work-slips have not been sent. (Para 51).

The Chief Engineer has stated that there has been excess expenditure incurred in Palmane and dressing works. He has further stated that he warned the Special Engineer that the redressing of the pillars will involve very heavy cost and that any such work should be done as was absolutely necessary.

Even the Chief Engineer who was aware of the excess expenditure did not make a report to Government to that effect. He has failed in his duty in not doing so.

Check measurements are to be made in the case of works executed departmentally in the same manner as is done with the works of contractors. No attempt has been made by the Division Officer to check the accuracy of measurements. Some measurement books show that payments have been made on Nominal Rolls without entering even the previous measurements in the book. The position today is that there is no verification of the work paid for. Even now the final measurements should be taken to compare them with quantities as in the Register of Works (to be correctly posted) and scrutinise the quantities of cement and steel consumed with those that should have been properly consumed as per specifications worked out.

The distributed strength of individual rolls was undetected in each supervision for effective supervision. (Para 56).

For a proper check over labour and attendance, a token number system was suggested by Sri K. S. Gangadhara, the Chief Engineer. This should have been adopted. This suggestion was flouted by the Special Engineer. (Para 57).

There are Nominal Rolls paid without being passed either by the Divisional Accountant or by the Special Engineer. The scrutiny was only nominal in the Division Office. (Para 58).

Works have been paid at different rates even for the same category of work and *in excess over the schedule* of rates resulting in a considerable avoidable extra cost. (Para 59).

The rates worked out for the same category of work differs from Sub-Division to Sub-Division. The position was not reviewed in spite of the Accountant General's observations. (Para 60).

Materials shown to have been used are far in excess of the requirements as per specification. It is quite probable that the extra quantities have moved elsewhere. A thorough audit of the Nominal Rolls should be made. (Para 61).

The progress of work has not been noted in the overtime rolls justifying the necessity of such rolls. (Para 62).

The cost worked out in many rolls is incorrect as the rates assumed widely differ. (Para 63).

The cost of centering materials has not been included in many rolls whereas such cost has been charged off to sub-heads of work in the 'C' Registers. (Para 64).

There should have been a strict scrutiny over the labour employed keeping the cost within the data rates. (Para 65).

A Contractor's Ledger had not been maintained in this Division though the Accountant General had pointed out this omission as early as October 1953.

Though a ledger is now opened, it gives the accounts of only three firms. The Ledger with respect to the three firms maintained are also quite incomplete.

No Ledger has been kept in respect of the Piece-Workers and Task Work Contractors though a number of part-rate payments and cash advances have been made to them.

Transfer entries are to be made only on the orders of the Divisional Officer. Indiscriminate transfer entries are made in this Division. Transfers are made, reversed and effected partially at a later stage without any approval or explanation.

A sum of Rs. 78,441 being the cost of four lorries was first debited to building estimate and later on transferred to 81—Capital Acct.—Tools and Plant, presumably to reduce the outlay on the buildings proper.

Purchases.

List of all local and foreign materials required are not furnished with the estimate as required in para 25 (11) of the Public Works Account Code. Stores Purchase Committee almost always short

circuited in spite of Rules regarding calling for tenders or quotations flouted.

In many instances there have been no sanctions to the purchase and in a few, no provision in the estimate. The plea of urgency was untenable as no such urgency existed in many instances. (Para 77).

Estimates of quantities and materials required not prepared and where prepared done carelessly. In several cases purchases have no relation to original estimates. (Para 78).

Practice adopted in the Division: First purchase without tender or quotation— Further call for same and reject or even if accepted distribute orders. Then on plea of non-supply call for fresh tenders or quotations. In the meanwhile continue purchase—repeat the cycle (Para 79).

Types of irregularities broadly classified. (Para 80).

RECOMMENDATIONS.

In view of the Store Accounts, materials-at-site Account, Works Registers, etc., not properly written up and the nominal rolls indicating more material having been used not warranted by the specifications, and no check measurements having been made, it is absolutely necessary that an experienced staff under an efficient competent accounts officer versed in Public Works Accounts associated with an experienced Engineer be deputed to get the accounts including Stores accounts written up correctly, audit the same, check up materials-at-site accounts—compare estimated rates and issues of materials with actuals and specifications and check the over all measurements as per actuals with the quantities paid for.

CHAPTER XIV—MISCELLANEOUS ADVANCES.

Cash advances have been made regularly to Sub-Divisional Officers Nos. 6, 2 and 4 from January 1955 to August 1956 though there were large outstanding balances against them. They had not also maintained cash books. Assistant Engineer No. 6 Sub-Division had Rs. 40,773-6-0 at the end of September 1955 as outstanding against him.

Advances were made to them every month without any relation to the requirements. (Para 3).

Assistant Engineer No. 6 was given advances for payment of Nominal Rolls, payment of Task work statements and for recruitment of chiselers. A record of receipts and payments was prepared only about a month back in an exercise book. This book also shows heavy balances with him. His explanation of intermediate advances to chiselers is not borne by records. His statement that cash with him never exceeded Rs. 500 is not borne out by the accounts prepared by him.

This Assistant Engineer who has received an advance of Rs. 1,500 in March 1955, had still to account for Rs. 411. According to his own statement, he paid on 7th August 1956, Rs. 701-3-0, and retained with him Rs. 197-3-0. (Paras 8, 9 and 10).

There is another book in which cheques received by him for advances to chiselers for payment of Nominal Rolls are entered by him. This book also appears to have been written recently, though he does not wish to admit it. (Para 6).

In the Task Work Statement of 3rd September 1955, against the actual payment of Rs. 551-7-0 to piece-worker Sri V. Shankalachari, a sum of Rs. 618-12-0 is shown as paid. (Para 11).

The evidence of the records of this Assistant Engineer disclose a serious state of affairs and require close examination. (Para 12).

The explanation of the Special Engineer that this Sub-Divisional Officer had virtually no cash balance is meaningless.

The fact is that the officer had retained with him Government money for long periods. (Para 13).

These advances were made with Government sanction and in spite of refusal of permission by the Chief Engineer. (Para 14).

The Assistant Engineers No. 4 and 2, have kept their cash advance accounts more clearly, giving the requisite details. Advances towards payment of coal and other petty purchases to Assistant Engineer No. 2 is irregular, as direct payments by cheques could have been made. The Special Engineer should have kept a proper check over disbursements, balances and misuse of Government funds. (Para 18).

Advances to Tendered Contractors.

Messrs. Boriah Basaviah & Sons: Cost of materials was not wholly recovered from their next bills.

Advances to Steel Construction Co.

The advance is said to have been made against work done. If so, it should not have been debited to Miscellaneous Advances.

Material issued to a contractor is debited to a Supervisor's account on the ground that the contractor's name was not stated in the Indent. The name should have been ascertained and necessary debit made after deducting 10 per cent. It is said that the deduction has been made from the bill and kept in deposit. Ten per cent towards cartage has not been recovered. The full amount also has not been recovered.

Advances and Payments to Chiseler Contractors.

On a recommendation of the Special Engineer for payments of advances to recruit 650 chiselers from outside, Government sanctioned a grant of Rs. 1,00,000, subject to rules of recovery as per Code. The proposal of the Special Engineer to pay travelling allowance and wages for journey days was turned down. (Para 24).

The Special Engineer recommended a payment of an advance of Rs. 5,000 to Sri T. V. K. Chari, Engineer-Contractor for recruiting 550 Chiselers. Sri Chari recruited only 81 chiselers in June 1955, the Special Engineer recommended that recruitment by Sri Chari should be treated as if Government agency and sought sanction to pay Sri Chari Second Class Railway Fare (Rs. 247-12-0) and travelling allowance and wages of his chiselers (Rs. 1,748-10-0). (Para 30).

In his letter to Government in February 1956, the Special Engineer was induced by him that he would bear journey expenses as well as those of the chiselers recruited by him.

There is absolutely no justification for this recommendation of the Special Engineer. The alleged inducement had not been brought to the notice of Government. When the Secretary, Public Works Department, pointedly asked the Special Engineer on what authority it was done, the Special Engineer evaded the queries. The alleged reasons he has given appear to be afterthoughts. (*Para 33*).

The precedents relied on by the Special Engineer are no precedents. Of his own accord, he had made payments of Rs. 10,138-8-0 to Sri P. Rajappa, contractor, who recruited chiselers for his own work. There is no competent sanction for this payment. The Special Engineer as a witness, has admitted that he had no power under any rule or any authority from Government to do this. (Paras 35 and 36).

An advance of Rs. 3,000 has been paid to Sri Munirathnam and is still pending adjustment.

An additional 10 per cent has been paid to the chiselling contractors for expeditious execution of the work. While recommending this to Government he has stated that the rates paid to the contractors and for amani work are the same. He has admitted that he has no personal knowledge but relied on his assistants. (Paras 38 and 39).

The payment recommended to Sri Chari need not be made and the payment made to Sri Rajappa and Sri Munirathnam are to be recovered either from the parties or from the Special Engineer if recoverable from the piece-workers.

CHAPTER XV—MAJOR IRREGULAR TRANSACTIONS.

(*a*) Purchase of 12 Second-hand Military Vehicles.

This purchase from Sri Deva Rao Shivaram Ubhayakar is a criminal waste of public funds.

In November 1953, the Special Engineer had definitely stated that he had 5 trucks on road and his additional requirement was only 24 trucks. Twenty-four Desoto chassis were allotted to the Vidhana Soudha Division. Thus the requirement of the Division which was at the most 29 vehicles was fully met. There is nothing to show that the load to be handled required a larger number. On the other hand, the log books show that he had not enough work even for the 5 vehicles he had. (Paras 1—4).

In December 1953, the Secretary, Stores Purchase Committee, asked Sri Deva Rao to produce one vehicle out of 20 offered by him before the Special Engineer for inspection. The report of an Assistant Engineer gave only the mileage per gallon with load and without load. This was not an adequate examination of a second-hand vehicle before purchase. In January 1954, he sent the report of the Chief Engineer and proposed 12 of this type might be purchased for his Division. He made no reference to the 24 new vehicles that had been received for which bodies were being built. (Paras 5 and 6).

The Chief Engineer sought for sanction to purchase 12 vehicles from Sri Deva Rao Shivaram directly without reference to the Stores Purchase Committee as they were urgently required for the Vidhana Soudha work and as these vehicles had been tested and found good; there was no need for these vehicles. Only one vehicle had been examined, only for mileage. (Paras 7—10).

Government passed orders for the purchase of 5-7 tons trucks through the Stores Purchase Committee and followed it up with another special letter to expedite. The Chief Engineer asked the Stores Purchase Committee to place orders with Sri Deva Rao. But the Stores Purchase Committee called for tenders. The original Notification was amended omitting works ' brand new Military ' with a view to purchase second-hand vehicles that had been offered. Seven tenders were received. Chief Engineer recommended the purchase of vehicles from Sri Deva Rao. The order was placed by the Stores Purchase Committee with the provision that the Department should be satisfied that the vehicles were as good as new, etc., and the Stores Purchase Committee required the Chief Engineer also to inspect and approve. The Special Engineer got only an inventory to be taken and the Chief Engineer stated ' I have seen the vehicles. Sufficient amount for replacing the damaged parts should be withheld and bills passed for payment '.

All the vehicles were accepted without examining them as to their soundness as required by the Stores Purchase Committee and 90 per cent also was paid. (Paras 10—18).

The Special Engineer finding the vehicles were neither necessary nor useful, transferred 4 of them, two to Tumkur and two to Hassan Division, in the month of their receipt. The former complained that they were not giving good service though repaired often in the Division Workshop and the supplier's garage. The Special Engineer informed the supplier about the bad condition of the other 8 vehicles in June 1954, and the subsequent correspondence show that the vehicles required constant heavy repairs, and it is also clear that tyres were unserviceable from the very beginning and the petrol consumption was more than what was reported on one vehicle tested.

By November 1954, these 8 vehicles had been also transferred. They had not done any haulage work for the Vidhana Soudha Division. The Chief Engineer remarked about the bad condition of these vehicles. (Paras 19—26).

About the same time, similar vehicles had been offered to the Electrical Department and the Bhadravati Iron Works by Sri Deva Rao. In the former case, Government turned down the proposal to purchase and in the case of the latter, the Special Chief Engineer purchased but has not yet passed 10 per cent of the balance on account of the trouble he had with his vehicles. (Paras 27—29).

The scrutiny of the log books on the performance of the vehicles the Special Engineer had, prior to the purchase of these trucks, shows that even the 5 vehicles he had, had not adequate work and the 24 vehicles asked for and obtained were not needed and they were doing very light work except those that were hired to contractors. The analysis for the 9 months proves that the demands of the Special Engineer were not in the least justified and the Dodge vehicle should not have been purchased. (Paras 29—35).

The Chief Engineer directed that lorries should not be hired out to contractors and stated again that the lorries hired out to contractors were not being looked after by them properly and they were put to rough use, etc. But the Special Engineer persisted in hiring them out regardless of the heavy damages to the vehicles with the result that considerable sums had to be spent by Government for repairs. (Paras 35—40).

The scrutiny of log books of 12 trucks shows a sorry tale about their condition, performance, consumption of petrol, etc.

When the vehicles were transferred to other Divisions, intimation had been given that the seller was bound to keep the vehicle in repairs. Even though the Special Engineer knew about the unsatisfactory condition of the vehicles, etc., he paid off the balance of the 10 per cent to the seller without obtaining reports from those Divisions about their condition and the satisfactory performance of the obligations by the seller. The Committee had addressed these Divisions in regard to this matter. But no replies were received. This should be further pursued.

The Chief Engineer very readily approved of this payment, without any scrutiny. (Paras 41—44).

CHAPTER XV—(*b*) FLOORING CONTRACT TO MESSRS. BORIAH BASAVIAH & Co.

The item of the flooring and the allied works of dadoing, skirting and special terrazo was the only major construction work proposed to be done on tender. The Department was stated to be not equipped to do this work. The base and levelling course for the building were, however, proposed to be done by the Department. (Paras 45 and 46).

The allied works would have been done economically and expeditiously by the Department. Some portion of this work was entrusted to piece-workers when the tendered contractor could not keep up the required progress; the work done by the agency other than the tendered contractor was negligible. (Para 47).

As against the provision of Rs. 3,98,815, in the 50-lakh estimate, the provision on the 130-lakh estimate for the flooring and allied works in Rs. 9,70,438. The 130-lakh estimate was prepared after the work was begun by the tendered contractor. The areas of flooring provided for in both the estimates were not correct. While there was an under-estimate in the 50-lakh estimate, there was an over-estimate in the 130-lakh estimate. The increase in the allied works was mainly due to introduction of new works not originally contemplated. (Paras 48 and 49).

The Technical Committee in March 1954, had decided to have mosaic flooring insitu for the Special Chambers and Halls if Terra bond strips could be secured or to have mosaic tiles and for general office, the adoption of red-oxide finish cement floor.

The Special Engineer did not consult the Committee as to the mode of execution but called for tenders. (Para 50).

No care has been exercised in the drawing of the tender as the quantities shown in the tender notification of 1st October 1954, that shown in the specification, and that shown in the comparative statement differ from one another. (Para 51).

Specifications and conditions. (Para 52).

Tenders were received from three firms on 1st November 1954. (Para 53).

The Mysore Firm (Messrs. Boriah Basaviah & Co.) did not have the full equipment, but had only a small manufacturing unit.

The Madras Firm was of standing reputation and experience. The Special Engineer has mentioned that the necessary documents from this firm were not received along with the tender, even though they had been received. (Para 54).

Even though the total cost of the work at the rates quoted by the Mysore Firm was the lowest, the comparison was not complete. In view of the better standing of the Madras Firm, etc., and for speedy execution, the tender of this firm should have been accepted. Also, the work of the relief tile-flooring should have been given to the Yelahanka firm, whose rate was the lowest for this item. (Para 55).

No adequate publicity for this large contract by way of tender notification was given. Other firms dealing with such work were not communicated. The tender notifications stipulated the manufacture of tiles on the site which was not warranted. In fact, tiles manufactured elsewhere were used. The tiles manufactured at site were not tested. Cement was issued for the manufacture of tiles at Coimbatore outside the State and without the permission of the Cement Controller. The Special Engineer's statement of such issue of cement was in order, is contrary to the specific terms of the tender and specifications. (Paras 56 and 57).

The representatives of Madras and Coimbatore firms in fact executed the work for the flooring contractors and they have been the real contractors, while the Mysore Firm is practically their nominee. Any way, the Madras and Coimbatore firms functioned as sub-contractors contrary to the tender conditions and agreement.

The proprietors of the Mysore Firm who are the contractors were requested to appear before the Committee, but they did not comply. (Para 58).

As early as October 1953, the Coimbatore Firm had offered to do the flooring work and was prepared to instal the plant at the site for the manufacture of the tiles in case the work was about 3 lakhs. Their rate was Rs. 160 per square against the accepted rate of Rs. 176 per sqare of the Mysore Firm. The Special Engineer intimated the firm at that time that the department had no intention of installing the plant at the site. The tender notification was not sent to the Firm. This same firm was supplied with cement tiles having been obtained from them by the present contractor to get the work executed by them. (Para 59).

Before obtaining sanction from Government or approval from the Chief Engineer, the Special Engineer addressed the firm to arrange for the taking up the work. The direction of the Chief Engineer to place the tenders before the Technical Committee to discuss whether a portion of the work could not be done departmentally were flouted by the Special Engineer, evidently banking on the support of the Chief Minister. In fact, the Special Engineer complained to the Chief Minister that the tender was not approved. On the Chief Minister instructing the Chief Engineer to dispose off the matter early, the Special Engineer returned the tender and the comparative statement to the Chief Engineer on 1st December 1954, with the remarks that the tender portion need not be discussed by the Committee, that no portion of the flooring was proposed to be done departmentally, and that to avoid delay he did not place the subject before the Technical Committee. This Committee was meeting on the next day. (Paras 60—62).

The Chief Engineer passed an order recommending acceptance of the tender of the Mysore firm on 1st December 1954. He has stated that the Special Engineer's letter of 1st December 1954 with the tender, etc., was not seen by him. Either he has seen the letter and has put up with the impertinent conduct of the Special Engineer or he has passed the order without looking into the tenders and the comparative statement. In case he has done the latter he has failed to discharge his duties. (Para 63).

The matter was not placed before the Technical Committee which met on 2nd December 1954 with the Chief Engineer presiding, to consider all aspects. The Chief Engineer did not invite the Committee to decide the several questions involved, for obvious reasons, as he had already taken a decision at the behest of others. (Para 64).

The Special Engineer did not ascertain the prevalent rates to effect a comparison with the tender rate and he also kept back from the Chief Engineer, the offer of the Coimbatore Firm. He took for granted the approval of Government and expected the Chief Engineer's recommendation as formal. The Chief Engineer also recommended the approval of the tender of the Mysore firm on 4th December 1954 to Government without examining the suitability of rates, the total cost and without pointing out that the provision in the sanctioned estimate was being exceeded. (Paras 65—66).

On 4th December 1954, ground floor was completed and the first floor was nearing completion only. The matter need not have been rushed through. The Chief Engineer had time to scrutinise the tender before submission to Government. (Paras 67 and 68).

The agreement drawn up with the firm of 2nd February 1955 was defective, not in the standard form and included the concession of free supply of electric power for the manufacture of tiles not originally contemplated. No specific penalty clause for short progress was included. The period of completion of work was extended. The cost towards the construction of tanks for curing tiles done by the Department has not been recovered from the contractors. (Para 69).

The Special Engineer in consultation with the Government Architect changed the types of flooring that had been decided by the Technical Committee without the approval of the Committee or the Chief Engineer. He changed the pattern to one of costlier type but did not work out the additional liability to Government. He increased the quantity of terrazo work also without even submitting the proposal to the Chief Engineer for approval and for Government sanction. He proposed to pay certain rates for items of work outside the tender without the acceptance of the contractors to these rates and without the approval of the Chief Engineer. (Paras 70 and 71).

No written orders were issued by the Special Engineer to the contractors regarding the type and quantity of work to be done. He has admitted that the written agreement with the firm was varied by him in consultation with the Government Architect and based on the Chief Minister's instructions. (Para 72).

Apart from the differences observed in the quantities depicted in the tender notification, the specifications accompanying the tender, the comparative statement, etc., there have been differences in the

quantities both in the items of flooring and allied works as recommended by the Technical Committee and as actually executed. The excess in the case of flooring is Rs. 40,000 and in the case of allied works due to additional embellishments is nearly one lakh of rupees. (Paras 75 and 76).

The levelling course essential for flooring work was proposed to be done by departmental work and was not given on tender. If the actual thickness could not be specified, the average thickness could have been specified. Difficulties arose immediately after the work was started as this work had to be done along with the regular flooring work. This work had to be entrusted to the contractors. The contractor has done this work but has not agreed to the rates.

The contractor also is demanding arbitrary and high rates for changes in the pattern of flooring for which there are no agreed rates. (Para 77).

The quality of work is bad at some places and while the Special Engineer has raised complaints on the same, there is no evidence of rectification of the defects. A large percentage of tiles is not polished yet. (Para 78).

There has been bad planning and unnecessary rushing through the work, forcing an inference that a particular contractor was to be favoured. From the examination of the prevalent rates in and around Bangalore, there is evidence that a higher amount of Rs. 77,277 is to be paid to the contractor. Several concessions after accepting the tender have been shown and frequent changes in the pattern have added to the cost on account of excessive claims by the contractor. (Paras 79 and 80).

The department could have done the entire terrazo work entrusted to the contractors on arbitrary and high rates. Even the little work not done by the contractor was entrusted to piece-workers at the same high rates. In fact, the department has done the entire base work to get the shape and the finish, the contractors' work being only merely plastering with mosaic paste and polishing the same. (Para 80).

On account of bad planning and want of care in accepting the tender, the loss to Government on this item of flooring and allied work is nearly Rs. 2.44 lakhs. (Para 81).

(*c*) Purchase of Jungle-wood Planks, Scantlings and Reepers for centering of R.C.C. work of Vidhana Soudha Building.

In December 1953, tenders were called for the purchase of planks, Scantlings and Reepers. (Para 83).

The quantities in the tender notification were far less than requirements. (Para 84).

In the meantime the Special Engineer made purchases of total value of Rs. 24,763-14-9 prior to the date of opening tenders. (Paras 85—86).

Instead of accepting the lowest tender rate for each type of material, Special Engineer sought approval of the Chief Engineer to the purchase from Shri A. K. Ahmed. This involved a loss of

Rs. 2,600. Sri Thimme Gowda was paid at Rs. 4-8-0 and Rs. 4-10-0 (the rates quoted by him) while purchase was made from other suppliers also at Rs. 5-2-0 and Rs. 5-4-0 for the same material. (Paras 89—90).

Unauthorised purchases from a non-tenderer, Messrs. B. Kempiah & Sons, were also made. (Para 91).

In June 1954, approval to refund the Earnest money of Sri A. K. Ahmed was sought for on the ground that the *full quantities* had been purchased and that further purchases would be made after calling for quotations. But purchases continued to be made from Sri Ahmed. The value of purchases made from 22nd June 1954 to 16th March 1955 is about Rs. 24,500, at the old tendered rates. These purchases were made without calling for tenders or quotations. (Para 92).

In March 1955, the Special Engineer again called for quotations for the supply of planks, scantlings and reepers. The lowest quotation approved by the Chief Engineer was that of Messrs. Kempiah and Sons. In spite of this, purchases were made from others at higher rates. (Para 96).

In June 1955, the Chief Engineer moved the Government to sanction the purchase of centering materials at a cost of Rs. 1,55,000 from local market and did not report to Government the several irregularities in these purchases. (Para 98).

The Chief Engineer has not scrutinised the requirements. On this the Government asked the Special Engineer for further information and about the rates quoted by the Forest Department for materials. (Paras 99—100).

On receipt of reply from the Special Engineer, the Government ordered the Chief Engineer to furnish further information and particulars why quotations were not obtained from the Forest Department and whether the materials purchased from Messrs. Kempiah & Sons was second hand stuff. The Special Engineer's reply is not correct. There is no correspondence of the Special Engineer with the Forest Department regarding the rates for centering materials. The Special Engineer evaded reply to the question whether the material purchased from Messrs. Kempiah Sons & Co., was second-hand. It was also not correct to state that all the formalities were observed before making local purchases. (Paras 101—104).

In June 1955, further tenders were called for certain quantities. Seven thousand, six hundred and fifty-three c.ft. of planks were purchased as against 4,000 c.ft. stated in the notification. (Para 105).

It is incorrect to contend that there was a rush of centering work and that such rush justified the purchase of these heavy quantities, of the material in the manner stated. The materials could easily have been used at least four times. Even at a liberal estimate, more than 1,00,000 sq.ft., *i.e.*, 12,500 c.ft. of planks was not necessary. (Paras 110—111).

This Firm was the contractor of the Accountant General's Office Building under construction closeby. The maximum requirement of planks for centering in that building must have been about 4,500 c.ft. The firm therefore could not have 6,000 c.ft of planks worth about Rs. 33,000 to be sold. It is not unlikely that used material was supplied by the firm to Vidhana Soudha, if supplied at all, at the rates of new materials. Against an order of 400 c.ft. of planks,

the firm supplied three lots aggregating to 1,268 c.ft., and although the Special Engineer refused at first to pay the excess, payment was made, after covering this excess by an indent. (Paras 112—113).

At the Committee's instance, the stock of jungle wood planks was physically got counted and making all allowances, there is a deficit of 8.860 c.ft. of planks. There is no explanation for it. (Paras 114—115).

Under these circumstances, it would be necessary to hold a special enquiry and hold liable the person or persons responsible for the deficit. (Para 121).

The stock of released scantlings and reepers should also be counted. (Para 122).

(*d*) Air Conditioning Plant.

The Technical Committee merely noted the provision made for the forced ventilation system without coming to any decision during September 1953. The provision of Rs. 1 lakh for this and the sound reinforcement system in the Rs. 80-lakh estimate was deleted in the Rs. 50-lakh estimate by the Special Engineer in October 1953. On receipt of certain details from the Government Architect in November 1954, the Special Engineer called for tenders in December 1954. Copies of the tender notification were sent to three firms in Bangalore, one of Bombay and one of Madras. The period of submission of tenders was extended to 15th February 1955. (Para 123).

The comparative statement of tenders signed on 28th February 1955 by the Special Engineer was discussed by the Technical Committee the same day, which recommended for the approval of Government, the lowest tender of the Blue Star Engineering Company of Bombay. The Committee also resolved to place orders with the Firm for the supply of machinery and for starting the work pending approval of Government. This was beyond the powers of the Committee.

The tender of the Steel Construction Company, Bangalore, was higher by 40 per cent. This Firm is stated to have sent a representation on 2nd March 1955, offering to execute the whole or portion of the order at the rates and conditions of the lowest tenderer. As this was not a tender, it should have been rejected. (Paras 124—125).

The Special Engineer sent only the comparative statement of the tenders to the Chief Engineer without forwarding the tenders and the alleged letter of the Bangalore Firm. The representation was forwarded much later, recommending the case for the approval of Government without placing the matter before the Technical Committee.

The splitting of work was not warranted and was done only to favour the firm taking away the sanctity of the tender. (Paras 126—127).

Before the acceptance of the proposal to entrust a portion of the work to this firm by Government, the Special Engineer made arrangements to procure the necessary permit for supply of material. The Government Architect and the Special Engineer also desired the Engineer of the firm to visit the building to get details of the location of the plant. (Paras 128—129).

The Chief Engineer forwarded the entire papers to Government and on the strength of this, the Special Engineer in the latter part of April authorised the Bangalore Firm to commence work and execute the necessary *Mutchalika*. The Chief Engineer was aware of this but he did not raise any objection to this highly irregular step of the Chief Engineer. (Paras 130—131).

The Stores Purchase Committee strongly objected to Government on the direct action of the Special Engineer and Government in June 1955 informed the Chief Engineer to empower the Special Engineer to call for fresh tenders and to accept the most advantageous offer in consultation with the Technical Committee. Government returned the tenders with a copy of the objections of the Stores Purchase Committee. (Para 133).

The Chief Engineer sent in a reply to Government that the Special Engineer has already followed the procedure laid down by the Government and as fresh tenders would cause delay and legal complication, Government accepted the original proposal to entrust the work to the Bangalore Firm. (Paras 134—135).

The Chief Engineer could have seen that there would have been no legal difficulty or unnecessary delay in the execution if he had only examined the records and made enquiries. (Paras 136—137).

The agreements were executed only in August 1955 and both the Engineers of Vidhana Soudha and the Companies were not working to schedule. No action was taken to hurry up the work which was not completed even in December 1956 and to enforce the penalty provided in the contract. (Para 138).

The Special Engineer was acting beyond his authority and resorted to indiscrete act, object of prompt execution of work not being in view. (Para 129).

The tender of Messrs. Airconditioning Ltd., Bombay, even though received in time and by registered post was not placed before the Committee. The Special Engineer has stated that the tender was not received and later that the same is unacceptable as it was not the lowest. This is not a fact. (Para 140).

The procedure adopted in accepting the tender is irregular. The specifications were not final. No attention was paid to the suitability of the specification. The original tender of Voltas Ltd., was for four changes per hour which was not examined. Their offer to have a plant designed for eight changes per hour was ignored. Their quotations was definitely lower than that of the Blue Star Engineering Co., and it was summarily brushed aside while the Steel Construction Co., Ltd., Bangalore, was favoured. (Para 141).

The comparative statement has been prepared carelessly. The air-filter for the upper house was not shown. The real tender of the Blue Star Engineering Co., was Rs. 1,57,720 while that of the Voltas was Rs. 1,49,250. The loss to Government of about Rs. 8,500 could have been avoided. (Para 142).

In considering the mean, maximum and minimum temperatures in Bangalore in the months of March and April, and in view of the sessions of the Legislature usually held in the months of February and April and September and October, the forced ventilation equipment was not at all necessary for the Vidhana Soudha. Professor C. H. Kent of the Indian Institute of Science of Bangalore has also opined

that the artificial cooling was not required for an Assembly House in this climate. (Paras 143—144).

The necessity of artificial cooling in April, if necessary, could have been met with pedestal or wall fans. The Committee views the expenditure on forced ventilation was not necessary or at best could have been one-sixth of the present equipment saving about Rs. 1 lakh. (Para 145).

The original statement forwarded to the Chief Engineer in March 1956 by the Special Engineer contains only five tenders. His subsequent submission was a statement with six tenders. A copy of the latter was forwarded to the Committee by him in September 1956. The additional tender mentioned was of the Air Conditioning Corporation not placed before the Technical Committee. Such regrettable action of the Special Engineer has necessitated verification of all communications received from him.

(*e*) Sound Reinforcement System.

The Technical Committee resolved in September 1953 to divide the Assembly and the Council Hall into several sections each section to have a mike each or every two members to have a speaker. The chambers of Ministers and the Speaker to be interconnected and to extend the Sound System to the Dining Hall and Lounges. At a subsequent meeting the Chief Minister instructed that proposals be made for individual loud-speakers, not to have the extension to the lounges, and to defer the electrical system of voting. (Paras 148—149).

In spite of this, the provision of Rs. 1 lakh made in the Rs. 80-lakh estimate, was totally deleted in the Rs. 50-lakh estimate submitted by the Special Engineer in October 1953. (Para 150).

A provision of Rs. 95,541 for the equipment was made in the Electrical estimate for Rs. 8.15 lakhs sanction for which was obtained in December 1954. This was included in the Rs. 130 lakhs estimate sanctioned in 1955. The Technical Committee suggested the adoption of the dual language system in December 1954. No revised estimate was prepared and no Government sanction obtained for such equipment. (Para 151).

The draft tender notification of June 1955, got up by the Superintendent, Bangalore Power and Light and submitted to the Chief Electrical Engineer contained detailed specifications. He requested Government to be moved for sanction to make the purchase without the reference to the Stores Purchase Committee. The draft was for inviting tenders both for the single and for the dual language systems. (Para 152).

Government turned down this proposal of by-passing the Stores Purchase Committee in July 1955. The specifications were not placed before the Technical Committee. These specifications were different from the provisions in the sanctioned estimate. The Superintendent told the Committee that calling for tenders through the Stores Purchase Committee would involve delay, and the Committee suggested requesting the Stores Purchase Committee for short time enquiry from ready stocks. The equipment could not have been procured from ready stocks. (Para 153).

Tenders were received and placed before the Technical Committee in November 1955. A Sub-Committee was appointed which submitted its report in January 1956. Orders were placed the same month and the agreement executed in March 1956. (Para 154).

Only two firms out of five quoted for the supply and the installation of the equipment. The comparison was for the Dual langauge Sound interpretation system of these two firms only. Out of these two firms, the Sub-Committee rejected the quotation of Messrs. Chopra Radio Co. on the grounds that they had not quoted for the Public Address System, no provision had been made for the equipment to take an increased load, the equipment was for translation of only one langauge, etc. Supplementing for the shortcomings, the Sub-Committee however arrived at the figures of Rs. 2,53,000 and Rs. 2,55,000 for the same equipment, for Messrs. Chopra Radio Co. and Messrs. Union Radio Co., respectively. (Paras 155—156).

Both the firms had given the places where their respective makes of equipment had been installed successfully. But the Sub-Committee rejected the tender of Messrs. Chopra Radio Co. on grounds that they had not quoted a single instance of having installed their equipment anywhere in India. (Paras 157—158).

According to the telegram and the full quotations against the required items, the quotation of Messrs. Chopra Radio Co. was also for dual language interpretation. There was no hurry and if there should have been any doubts, either the local representative of the firm or the Engineer of the firm whose services were offered could have been consulted for clarification. Both the quotations were silent on the provision for the equipment to take up increased load. (Paras 159 and 160).

The tenders were disposed of in a summary manner. The quotations of Messrs. Chopra Radio Co. were cheaper by Rs. 1.09 lakhs. Government had not yet decided the installation of the dual language system. There was no justification in rushing through the purchase, as the halls were not likely to be ready before November 1956. (Para 161).

The Sub-Committee has calculated the cost of the additional equipment to supplement the items quoted by Messrs. Chopra Radio Co. as Rs. 1.03 lakhs. This appears to be a highly exaggerated guess work. The derivation of the difference in costs is not correct. The firm could have been given a chance to explain the deficiencies, if any and if so, to quote the correct prices for such items. There is no reason why this was not done. (Para 162).

Government could have been addressed to intimate if the single language system could be preferred, as there would have been a savings of Rs. 1.09 lakhs. Mysore being a unilingual State, interpretation of other languages into Kannada alone was necessary. (Para 163).

Attempt to by-pass the Stores Purchase Committee to obtain tenders without deciding the precise requirement, and without Government sanction, delegation of its function by the Technical Committee to the Sub-Committee, there being no finality of requirements when the order was placed or when the agreement was executed, utter disregard of financial considerations—all these are deplorable, and indicate, that the purchase of the equipment from Messrs. Union Radio and Co. had been decided, and reasons were being found to support the decision. (Para 164).

The agreement with the firm, and the conditions stipulated in the Stores Purchase Committee Enquiry, which had to form part of the agreement, were not kept up by the firm. The supplier had committed a breach of contract, in not having been ready to ship the equipment in time. His request for extension of the delivery time and for the installation and commissioning of the equipment, was expected by the Stores Purchase Committee. Only a portion of the equipment costing Rs. 35,826 was shipped in October 1956. The stand taken by the supplier that he would establish letters of credit with the manufacturer after Government had opened a letter of credit in favour of the supplier, is not warranted by the agreement. (Paras 165—168).

The supplier failed to present shipping documents for the entire equipment within the stipulated time, and has manifestly committed a breach of the contract, entitling the Department to cancel the contract, forfeit the security deposit and claim damages. (Para 169).

The Committee feels that Government should re-examine the question of the purchase from the firm and enter into a just and equitable bargain with the firm, according to Cl. 14 of the agreement and also to scrutinise the requirements. (Para 170).

The Chief Electrical Engineer should have ascertained the actual requirements from the Secretary, Mysore Legislature, and obtained sanction of Government before incurring this heavy expenditure. (Para 171).

There should have been an agreement to deduct the clearing charges and the Customs duty, payable by the buyer, from the 90 per cent payable against shipping documents. The Finance Secretary had suggested deferring of this expenditure. There are no extraordinary circumstances and Government would not ordinarily ratify this extremely objectionable procedure by according sanction. (Paras 172 and 173).

(*f*) Purchase of Lifts.

The provision of Rs. 2 lakhs made for four electric lifts had been arbitrarily deleted to reduce the estimate of Rs. 80 lakhs to Rs. 50 lakhs, among other things, although the Chief Minister had directed immediate action for placing orders for the lift. (Para 174).

Though the provision was deliberately omitted, the Special Engineer requested the Stores Purchase Committee to call for tenders for five lifts stating *that sufficient money had been provided in the Budget to meet the cost of lifts and that the grant would lapse unless immediate action was taken.* (Para 175).

The Special Engineer did not agree with the Chief Engineer that the Electrical Department had to handle the matter. The Chief Engineer however directed the Chief Electrical Engineer be requested to finalise and intimate specification, etc. This was not done. The Stores Purchase Committee however called for tenders and this was dealt by the Technical Committee. (Paras 176 and 177).

The order was placed for the supply and erection of the lifts at a total cost of Rs. 1,21,420 in June 1954. The Stores Purchase Committee did not ask the Special Engineer to certify the sanction for the purchase or the provision in the Rs. 50 lakhs estimate sanctioned by Government. (Para 178).

In August 1954, the Special Engineer requested the Chief Engineer to obtain sanction for the purchase saying provision was made in the Rs. 120 lakhs estimate. (Para 179).

The Chief Engineer wrote for Government sanction but did not point out that the order was already placed with the firm. (Para 181).

In March 1956, the Special Engineer placed orders with the firm to extend the lifts to the third floor at a cost of Rs. 17,345. (Para 182).

In June 1955, he issued orders to convert all the landing and car doors into two leaves at a cost of Rs. 3,360. (Para 183).

In August 1955, he made suggestions and placed orders in February 1956, for raising two lifts to the terrace floor at a total cost of Rs. 17,800 plus sales tax and other taxes. The Special Engineer did not examine how the firm was entitled to Rs. 17,800 for raising two lifts to a further one floor, while the cost was Rs. 17,345 for extending three lifts by one floor. (Paras 185—188).

The height of 8 feet for the lift cabins was reduced to 7 feet without any consequent reduction in price ; when the Accountant General pointed this out, the Special Engineer replied that the firm would be paid reduced price. No such reduction has been made. (Para 189).

There was no planning. At no stage was a detailed estimate made of these lifts and their erection. The matter should have been left to the Electrical Department. They would have incorporated detailed specifications in the Tender Notification and got the work executed more economically in a methodical manner. (Para 190).

It appears that there could easily have been a saving of at least Rs. 20,000 if the order for all the floors had been placed in the first instance. (Para 192).

(*g*) Purchase of Casuarina Poles.

No proper estimate of quantities required was made nor supplies obtained on a planned basis resulting in irregular transactions.

The total purchases made from August 1953 were 3,190 tons at a cost of 1,24,400 rupees, out of this the supplies from Sri R. Shankarappa amounting in all to 1,635 tons.

The manner in which these transactions were taking place go to show that the Special Engineer did not adhere to any principle or rules or procedure, was obtaining the materials at a higher rate from others when there was a tendered contractor, etc.

The Special Engineer sold the casurina poles as fuel before making sufficient use of them. In spite of the Chief Engineer's instructions he continued to do so.

Purchases, disposals, and stock on hand should be scrutinised. (Paras 193—206).

(*h*) Purchase of Steel Racks.

No provision was made for the purchase of steel racks in the sanctioned estimate of Rs. 130 lakhs. The expenditure is now ordered to be charged to Vidhana Soudha. (Paras 207 and 208).

The Special Engineer wrote to the Registrar, Government Secretariat that the total volume of rack-space in the cellar floor was only 30,196 c.ft. and obtained sanction of Government to an estimate of Rs. 60,392. (Para 210).

The Chief Secretary informed the Special Engineer that the provision in the two record rooms was only 74,000 c.ft. and that additional accommodation for 75,000 c.ft. should be provided. (Para 211).

Nevertheless, Tender Notification dated 9th February 1955, stated that the approximate cost of the work would be about Rs. 40,000, and that quantities would be about 30,000. The closing date was 28th February 1955. One firm requested for extension of the closing date by a fortnight. This request was turned down. But on 1st March 1955, the closing date was extended up to 7th March 1955, on the request of other firms. (Para 212).

Subsequent to the receipt of tenders, the specifications were changed. (Para 213).

The Special Engineer forwarded a comparative statement of tenders received to the Chief Engineer. The lowest tender of Rs. 1-8-0 per cubic foot *plus* sales tax was of Sri Rama Metal Works. Special Engineer requested immediate approval for 15,000 c.ft. but at Rs. 2-2-0 per cubic foot on account of changed specifications, and for 17,000 c.ft. to be got done on piece-work at Rs. 2-2-0 per c.ft.

The whole procedure was highly objectionable. (Paras 214 and 215).

Steel racks for the Accountant General's Office were purchased at Rs. 1-12-3 per c.ft. (Para 216).

There were repeated complaints by the Special Engineer himself about the quality of work of the firm of Sri Rama Metal Works, and countercharges by the firm. It was unwise for arranging this work to be done on labour contract. (Paras 217—219).

As regards giving work on labour contract, the Special Engineer wrote to the Chief Engineer for approval to entrust work of 40,000 c.ft. at Re. 0-6-0 per cubic foot to Sri Rama Metal Works and of 40,000 c.ft. at Re. 0-10-0 a c.ft. to Sri Rama Trading Company. It was pointed out that the rate of the first firm did not appear to be workable. The Special Engineer did not even work out a data rate for the finished product. (Para 220).

Ultimately, the Chief Engineer approved the rate of Re. 0-8-0 for the entire work. (Para 221).

It is understood that a revised estimate to the extent of *Rs. 1,60,000* is under submission. (Para 222).

It will be a matter for inquiry as to the total cost incurred by the Division in getting the racks prepared. It appears that the scheme was to exclude large scale manufacturers and to get the work done, good or bad, by a favoured contractor regardless of cost. (Para 223).

There is a more serious matter. On 23rd June 1955, the Special Engineer wrote to the Iron and Steel Controller, Bhadravati, to

arrange to supply M.S. sheets to Messrs. Palia & Co., Ltd., against an indent placed by the firm with Controller two months ago. The correspondence shows that there was no order placed with the firm either before or after this letter. (Para 224).

If it is found that the firm has obtained supplies or permit for supplies subsequent to the date of the letter of the Special Engineer on an indent submitted earlier or even if the attempt to influence the Steel Controller has not succeeded, appropriate action should be taken. (Para 225).

(*i*) Cement Account.

The note and the statements prepared by the Accounts Officer of the Committee accepted as correct by the Stores Officer, show varoius discrepancies in the Issue and Receipt Registers maintained in the Divisional Stores. This has not been maintained correctly and properly.

Counted balance and book balance showed variations, but they were not reconciled. The explanation given for certain issues was not supported by entries in the Issue Register.

The figures for the period ending 31st March 1956 show that counted balance on that day was 2,732 bags while the actual balance should have been 1,732. It follows that Indents must have been entered in the Register without actual issue of true quantities taken therein.

The transactions noted in the Cement Register said to have been kept only to watch the balances, contain the loan account of Messrs. Kempiah Sons & Co. An examination of this Register shows a number of bad mistakes even arithmetical.

The account of cement requires a detailed investigation. Whether cement loaned to the contractors has been received back should be got examined. (Paras 226—231).

CHAPTER XVI—IRREGULARITIES, CAUSING LOSS TO THE STATE.

(*a*) Purchase of Sandalwood.

The Special Engineer obtained the sanction for the purchase of 3 tons and 1 cwt. of sandalwood for ornamental wood carving work for doors and screens, but purchased nearly 5 tons at a total cost of Rs. 28,565-2-0.

There is no provision for such sandalwood work in the Rs. 130 lakhs estimate.

Out of the above stock, only a small quantity of 3 cwt., 3 quarters and 6 lbs., had been used for the door frame and two shutters of the main door of the Chief Minister's Chambers. The Committee recommended that further work of utilising sandalwood and ivory should be stopped. Government accepted the suggestion.

Without any specific requirement, nearly 5 tons of sandalwood had been purchased and this has resulted in a loss of Rs. 10,678-8-0.

(*b*) Purchase of Wire Nails.

The purchase from August 1953 to September 1956 is from 19 different suppliers aggregating 27 tons, 14 cwts., at a cost of Rs. 29,170. (Para 8).

Being a controlled article, the purchase should have been at controlled rates from registered dealers. Government pointed out excessive purchases at exhorbitant rates and the Special Engineer has approached the Stores Purchase Committee only once, the rest of the purchases being local and at varying rates and above the controlled rates ; different rates being paid to different firms. Rates paid in some cases have also been above those quoted. Purchase at a high rate from a firm which had not quoted, has also been made. (Paras 9—12).

The Chief Engineer does not seem to have questioned either the needs or the rates paid. The requirement and the purchase rates require close scrutiny. (Paras 13 and 14).

(*c*) Purchase of Rubber Cushion and Leather Pieces for Seats in the Assembly Halls.

Government decided in 1952, that the furniture prepared for the Old Assembly Hall at a cost of Rs. 1 lakh would be used in the new building. In September 1955, the Chief Minister gave instructions that the furniture in the present Hall should be made use of in the new Hall so that manufacture of furniture to this extent may be avoided. The Chief Minister directed in March 1956 that Vidhana Soudha may be provided with new furniture at a cost of about Rs. 10 lakhs. There was no provision in the 130 lakhs estimate. In the interim report of the Committee, it was suggested that this work should be stopped and it was accepted by the Government.

Sanction of the Government to purchase foam rubber cushion at a cost of Rs. 12,124-8-0 *plus* sales tax and other taxes was sought by the Special Engineer. Though the cost of purchase of the above material from Messrs. Palia & Co., was higher than the cost of purchase from Messrs. Dunlop Rubber Co., purchases were made from both the firms. The entire order should have been placed with the Dunlop Rubber Co.

(*d*) Representation of Sri M. H. Lakshman Rao.

Tenders were called for making and fitting 226 door-shutters and 786 window shutters. The lowest tender was that of Sri Lakshman Rao at 8 annas per square foot for windows and 9 annas per square foot for doors. The Special Engineer split up the work and Lakshman Rao was given only the work of the windows. The work of doors was given to two others. This was approved by the Chief Engineer in December 1954. In May 1955, Sri Lakshman Rao represented that this splitting had caused loss and that he should be paid 9 annas per square foot for window work.

Although this should have been rejected on the ground that he had accepted the work without any protest and after being turned down by the Chief Engineer twice, a recommendation was made ultimately to Government for sanction of the higher rate. The recommendation for higher rates for tendered works is most irregular.

The Chief Engineer's ground " that the work involved in making window shutters was more than the work involved in making door shutters " is not borne out by the schedule of rates for the Bangalore Division.

This is an instance where the Special Engineer has acted against the interest of the State in pressing his wholly unwarranted recommendations, and the Chief Engineer simply passed it on to Government against his previous decisions.

(*e*) Labour Quotations for Chairs and Desks in Legislative Halls.

As per departmental working, the average labour charges for a single chair and desk worked out to Rs. 60, and for double chair and desk to Rs. 85. The polishing charges including the cost of polish, worked out to Rs. 25 and Rs. 40, respectively. As against this, the rates accepted for contract work was Rs. 20 and Rs. 35, respectively, as labour charges for a single chair and desk and double chair and desk.

In view of the tender notification, the Special Engineer should not have allowed separate rate for the polishing charges of the chairs and desks. That is unwarranted.

(*f*) Purchase of Bricks.

About 13 lakhs bricks costing approximately Rs. 40,000 were purchased at various rates ranging from Rs. 28 to Rs. 31-8-0 per 1,000.

Without calling for any quotation or tenders, the Special Engineer purchased from one Thimmarayappa at Rs. 28-14-0 per 1,000.

Subsequently, quotations were called for, lowest tender rejected, but purchases made therefor at Rs. 28 per 1,000 from several persons.

(*g*) Metal Sheet, Bus Bar Ducts.

Sealed quotations were invited instead of entering into contract with the lowest tenderers. The order was split up. Even these orders were not placed for the full quantity required and approval sought in July 1955.

In November 1955, orders for 2,000 feet were placed with a third Firm.

A subsequent quotation for 5,000 ft. was called for in January 1956. The only quotation received was not accepted. The file does not show if this was purchased from any other firm.

No provision was made for this item in the detailed Electrical estimate.

(*h*) Sand Collections.

The departmental collection has been nearly half the total collection. Major portion of the departmental collection has been at higher rates, and uneconomical. The collection could have been through the contractors, whose rate was uniformly Rs. 5-10-0 per c.yd. against the varying rate of Rs. 4-10-0 to Rs. 7-1-3 per c.yd. by the department. (Paras 55 and 56).

(*i*) Aluminium Sheets.

The purchase was without approval of the higher authorities, without calling for quotations, without there being provision in the sanctioned estimate, and without reference to the Stores Purchase Committee. The Chief Engineer sanctioned the purchase, directed the same to be made through the Stores Purchase Committee, after the purchase had been made. (Paras 57—58).

The Chief Engineer accorded approval as a special case to the request of the Special Engineer to purchase the sheets from a Calcutta firm. Such mechanical approach encouraged the defiance of rules and flouting authority of superior officers. (Para 59).

The purchase was with Government money for the benefit of the flooring contractor. There was no need for effecting such purchases, and in the manner in which it was done. (Para 60).

(*j*) Employment of Convict Labour.

Convict labour was employed in the Vidhana Soudha work from May 1953 to March 1956. In order to guard these convicts 30 Reserve Constables from Police Department, ten Warders and one Chief Warder were employed. The wages earned were insufficient to meet the wages of Reserve Police, Warders, extra rations, etc. As against an earning of Rs. 500 per mensem, the State had to incur about Rs. 1,500 as wages of Reserve Police. The Division had to incur an expenditure of about Rs. 350 per month on supervision.

The convicts were unwilling workers and were not amenable to the discipline of the supervising staff of the Division.

The employment of convict labour was economically unsound. This waste of public money could have been saved.

(*k*) Employment of Convict Maistry.

One Mr. Narasimha Rao was employed by the Special Engineer as a maistry on Rs. 4 per day though the wages of a maistry was only from Rs. 1-8-0 to Rs. 2 per day. The Chief Engineer objected and finally approved Rs. 3 a day.

Payment was being made to this man at Rs. 4 per day for nearly three years. If the Special Engineer had been circumspect and had acted according to rules, there would have been a saving of about Rs. 2,000 on this head.

The Divisional Accountant also objected, but in spite of this, payment was ordered by the Special Engineer to be continued at Rs. 4 a day. The Special Engineer again wrote for payment at Rs. 4. The Chief Engineer directed termination of the service or continuation at Rs. 3 only.

The Special Engineer continued him and again wrote for approval of the wages of Rs. 4. This time the Chief Engineer wrote to Government and Government sanctioned the payment of wages at Rs. 4 from 17th July 1953.

(*l*) Fabrication and Erection of Steel trusses to Council Hall.

This work was given to the Central Industrial Workshop whose quotation was the lowest. The firm was fully equipped to do the work. Even though the cost of fabrication and erection was higher,

the Special Engineer and the Chief Engineer wanted to give this work to Steel Construction Co., much against the protest of the Central Industrial Workshop Superintendent. The excuse was one of urgency, and the work was entrusted to the firm at an increased cost of Rs. 9,000. (Paras 80—81).

The firm did not execute the work within the stipulated period, and it was also given an advance. The terms under which the work was entrusted to the firm, set up a higher claim by the Central Industrial Workshop, which was sanctioned by Government; separate charges have been incurred for painting work, which have been an additional liability. (Paras 82—83).

(*m*) Light structural work for the ornamental ceiling of the Council Hall.

The work in the Assembly Hall was given to the Government Electric Factory at Rs. 80 per ton in December 1955 and at Rs. 95 per ton in May 1956 for the Council Hall work, to the Steel Construction Co. The Chief Engineer sought approval of Government in view of urgency. (Paras 84—85).

The delay by the Government Electric Factory was due to the incomplete design and modifications introduced. This necessitated payment to the factory of an extra sum, over and above the agreed rate. The work was finalised at the cost of the factory and was given at a higher rate to the other firm. The Steel Construction Co. was favoured, the State suffering a loss. (Paras 86—88).

(*n*) Interior Decorations.

In March 1955, the Decoration Committee was constituted by Government. An estimate for Rs. 10 lakhs submitted to that Committee was reduced to Rs. 5 lakhs. No provision for this was made in the Rs. 130 lakhs estimate.

Recommendations of the Decoration Committee and suggestions of the Chief Minister. (Paras 4—5).

The suggestions of the Enquiry Committee that the expenditure on interior decorations should be deferred pending further examination made in the Preliminary Reports was accepted by Government. The Government informed the Committee that the expenditure on paintings will be limited to the amount available under feature donations. The total amount of feature donations is Rs. 64,702 only.

The last meeting of the Decoration Committee was held on 20th September 1956. The Government Order of 25th August 1956 was not placed before the Committee.

Pursuant to Government Order dated 25th August 1956, the Government Architect submitted an estimate of Rs. 70,000 for interior decorations.

The Government has already sanctioned an estimate of Rs. 3,000 for a model of Vidhana Soudha. It is not known if this is done.

The Committee considers that the proposals of the Decoration Committee require scrutiny with a view to economy.

(*o*) MARBLE STATUE AND MARBLE FOUNTAIN.

The cost for a marble statue of 'Cauvery Mata' estimated to be Rs. 35,000, was donated by Coorg Government.

The other expenses of installing it, is estimated to be Rs. 30,000. The Coorg Government has declined to pay these expenses.

In view of the merger, the question of contribution from Coorg Government does not arise.

The Government will have to decide about the installation, location of the Statue and the expenditure to be incurred on it.

In January 1956, the Chief Minister ordered that the marble fountain may be secured from Messrs. Abdul Gani Abdul Rahman and fixed in the Ground Foyar Hall. In February, the Secretary of the Jumma Mosque Authorities offered to sell it for Rs. 3,500. The Special Engineer wrote to the Secretary to intimate the minimum price. The reply was that it was explained to the Chief Minister that the fountain was prepared under an order for Rs. 8,000 and was sold to the Mosque for Rs. 3,500, as that order was cancelled for non-delivery in time. (Paras 104—105).

Government accorded approval for the purchase of it. (Para 106).

No attempt was made to ascertain the real value of the fountain. The action of the Special Engineer and the Chief Engineer in purchasing it without due examination is highly irregular. (Para 110).

The Decoration Committee was not consulted in the matter. It is stated that the idea to instal the fountain in the Foyar is since abandoned and that it is *unsuitable for installation* outside. (Para 111).

This is an instance of irregular purchase made against rules. (Para 115).

(*p*) DOCUMENTARY OF VIDHANA SOUDHA.

The Chief Minister directed the Principal, S.J.O. Institute to prepare a documentary film of the construction of Vidhana Soudha. In the early stages of the work, photographic views of works were taken at a cost of Rs. 354. (Para 116).

Government sanctioned an estimate for Rs. 5,375 for the documentary of 2,000 ft. in their order of March 1956. By July 1955 a film of 5,560 feet was taken. In September 1955, the Special Engineer submitted to the Chief Engineer, a so-called comprehensive estimate for Rs. 12,935 for the documentary receievd from the Principal, Occupational Institute. This was returned by the Chief Engineer to the Special Engineer for resubmission according to rules. (Paras 117 to 119).

In the meanwhile, the Special Engineer directed the Principal to continue his work. In April 1956, the Chief Engineer forwarded to Government an estimate for Rs. 13,785 for sanction. The Government asked whether this estimate was in lieu of the sanctioned estimate of Rs. 5,375 or in addition to it. (Paras 120—123).

The Principal informed this Committee that the estimate of Rs. 13,785 is the revised estimate of the sanctioned estimate of Rs. 5,375. (Para 124).

Against a sanctioned documentary of 2,000 feet at a cost of Rs. 5,375, there is a documentary of about 6,500 feet whose cost is likely to be Rs. 20,000.

No doubt, documentaries are taken of Public Buildings and works of magnitude to exhibit their magnitude and outstanding features of architecture. If a documentary of this nature had been taken for exhibition for about 30 minutes, the expenditure would have been justified.

The Committee has seen the documentary. It is poor. In our view this expenditure was wholly unnecessary.

(q) Internal Telephones.

There was no provision for this item in the 130 lakhs estimate. An estimate for Rs. 16 lakhs obtained from the Indian Telephone Industries was submitted by the Special Engineer to the Chief Engineer for obtaining sanction of Government. (Para 130).

The Technical Committee had decided earlier that the Electrical Engineer may take suitable action in consultation with the Government of India, and the Bangalore Auto Exchange. The Special Engineer states that he acted upon the decision in the Officers' meeting to send up the estimate and arrange for work immediately. This Officers' meeting had no authority to direct starting of the work, and there have been no proceedings of such meeting referred to by Special Engineer. (Paras 131—132).

the Internal Telephone System could not be joined to the Bangalore Auto Exchange, and there was no provision for the telephone connection in the sanctioned estimate. In spite of these, the Special Engineer placed an order with the 'Indian Telephone Industries; his action from every point of view is highly objectionable'. (Paras 133 and 134).

The Special Engineer has informed the Committee that the Chief Secretary has placed orders with the Posts and Telegraphs Department, they bearing the capital cost, and the Government to bear the rental. He has further informed that the Indian Telephone Industries agreed for the cancellation of the order, but there has actually been a protest from the firm, though they have not claimed any damages. The Special Engineer has acted in excess of his powers. (Para 135).

CHAPTER XVII—TRANSACTIONS WITH Messrs. KEMPIAH SONS & CO.

(a) Cash Advances.

This Firm was the tendered contractor for the Accountant General's Office Building, from about September 1953. The Special Engineer had made advances to this firm to the extent of Rs. 1,86,500 from September 1953 to September 1956. The Financial Assistant to the Chief Engineer in his inspection report, and the Accountant General in his audit note have taken serious objection to such advances.

In reply to the Committee's letter, the Special Engineer stated that these advances must be regarded as secured advances, etc., and that these advances were not recovered from the succeeding bills "with a view not to cripple the firm with a heavy deduction". (Paras 1—4).

These advances cannot be regarded as secured advances. In fact, such advances are prohibited. The Divisional Accountant had also noted that these advances were definitely open to objection. (Para 5).

The Chief Engineer stated in his evidence that these advances were against Codal rules. (Para 9).

The Special Engineer's statement of October 1956 reveals that an amount of Rs. 15,082-13-0 is outstanding against the firm.

The Committee is of the view that the action of the Special Engineer is not a mere irregularity but that it is an act beyond his authority. (Paras 11 and 12).

(*b*) Cement Loan Account.

The issue of Cement bags on loan to Messrs. Kempiah Sons & Co., contractors of the Accountant General's Office, ordered by the Special Engineer is an irregular procedure, against the Codal rules. The issue should have at best been as sales to the contractor. There have been transactions with the contractor both by sale and on loan on the same day. No authenticated records towards the issues and receipts from the contractor are maintained. (Paras 15 and 16).

Except the 'Cement Register', an unauthorised and unreliable document, there is no other evidence forthcoming of the return of cement bags by the contractor. (Para 17).

Government material should not have been issued from the Stores, contrary to rules, resulting in loss to Government. The connected accounts of issues and receipts are not maintained in the regular registers. (Paras 18 and 19).

The matter, if the bags have been returned by the contractor, is to be enquired into, and the liability established. (Para 20).

(*c*) Purchase of Junglewood Planks, Scantlings and Reepers.

Purchase should not have been effected from the contractor working just near the Vidhana Soudha, on the score that he had surplus material, which is not likely. The excess over the indent, supplied by the contractor, has been accepted after the original refusal. Owing to there being a very heavy deficit in the centering material, the transactions lead to a likelihood of malpractices and need proper scrutiny. (Paras 21 and 22).

(*d*) Petrol Bunk.

The Special Engineer was making purchases from Messrs. Kapur & Bros., *without asking for a rebate.*

Messrs. Kempiah Sons & Company applied for permission to instal a temporary petrol bunk on the Vidhana Soudha site. Without obtaining the best possible terms, the Special Engineer sought

permission of the Chief Engineer to allow this firm to instal a petrol bunk on condition that the dealer should give a rebate of anna one per gallon. (Paras 23 and 24).

Though the Chief Engineer twice pointed out that the Government were getting a rebate of annas two per gallon at Nugu Reservoir, the necessary agreement with Messrs. Kempiah Sons & Co., was got executed without any modification. (Para 25).

The proposal of the Special Engineer was approved by Government for a lease for the period ending July 1955, and it was later renewed till the Vidhana Soudha work was over. (Paras 26—29).

It can safely be said that the Division could have obtained a rent of Rs. 100 per month for a temporary bunk. Instead, the Special Engineer gave the site at a nominal rent of Rs. 5 per month. Instead of getting a rebate of annas two and pies three per gallon, he got a rebate of only anna one and pies six only from the lessee. The total loss caused to the Division amounts to about Rs. 5,000. (Para 30).

CHAPTER XVIII—ECONOMIES.

In the first preliminary report, the Committee suggested economies to the extent of Rs. 25.85 lakhs, though the scope was restricted on account of the work having almost reached a stage of completion. Government accepted the recommendation with a few minor modifications. (Para 1).

The economies suggested were in regard to the main dome, decorations, paintings, installations of statues, office furniture, etc. In regard to the other items such as garden, fountains and layout, concrete roads, etc., the expected savings is Rs. 7.63 lakhs against the provision of Rs. 11.45 lakhs.

The Committee has recommended that the water supply to the building need be only from bore-wells. The arrangements to draw water from the Bangalore filtered water supply to be used only in emergency and that the storage tanks on the top of the building to be limited to only two. This will result in the savings in the capital cost and also annual maintenance.

By the adoption of chip careting in place of cement concrete road round the building as suggested, there will be a savings of Rs. 3.45 lakhs. (Paras 2—9).

In the absence of the register of works, it is not possible to determine what savings have been actually effected. (Para 10).

By omission of intensive architectural embellishments and by effecting proper economies in execution and purchases, there would have been a savings of Rs. 60 lakhs. (Para 11).

CHAPTER XIX—TOTAL OUTLAY.

The consolidated register of works shows an outlay of Rs. 134.18 lakhs till the end of October 1956. But on certain items the outlay shown is too little judging from the progress on these items and expenditure on certain other items has not been included. So this register cannot give a correct idea of total outlay. (Paras 1 and 2).

At the request of the committee, the Special Engineer has furnished a statement of probable outlay, and he makes it out as Rs. 156.00 lakhs. He has not taken into account (1) items not included in the Rs. 130-lakh estimate, (2) establishment charges, and (3) excess over and above the work slips already sent which is quite probable.

The committee has got prepared a statement of probable outlay on each sub-head in Rs. 130-lakh estimate, items outside this estimate and allied works. The total probable outlay is likely to be Rs. 184.03 lakhs. And including the cost of 12 Dodge vehicles for reasons given, it may come to Rs. 186.17 lakhs. (Paras 3 and 4).

CHAPTER XX—CONCLUSION.

In consonance with the goal of the Republic of India to achieve full socialistic order, it is necessary to conserve every pie. The Houses of Legislature should be dignified, austere, with architecture appropriate to the present times. (Para 2).

The execution of buildings of this magnitude should not be done departmentally unless there are compelling reasons. (Para 3).

No work should be commenced without detailed designs and estimates and provision of safeguards to ensure economical and efficient execution. It was not clear to the Committee if the estimate for Rs. 50 lakhs admittedly imperfect, incomplete and an under-estimate received Cabinet consideration. The Chief Minister issued orders involving costly deviations resulting in the detailed estimates amounting to more than double the ceiling limit of Rs. 50 lakhs. Wheher he was competent to do so is a moot point. The executive did not adopt the normal procedure of obtaining approval and sanctions to the excesses caused presumably because they felt the Chief Minister's instructions were good enough. (Paras 4—8).

Even the Rs. 130-lakh estimate is deliberately an under-estimate. The ultimate outlay is likely to be over Rs. 180 lakhs. The holding of Finance and Public Works Portfolios (relating to Vidhana Soudha) by the Chief Minister was perhaps the reason for inadequate control over the expenditure by the Finance Department. Such combinations of Portfolios do not seem to be prudent. (Para 10).

Too much of interference by the Ministers in day-to-day execution is not desirable. (Para 11).

The procedure of cabinet approval to all estimates exceeding certain limits formerly obtaining may be revived. (Para 12).

The existing system of accounts and control was ineffective in checking irregular expenditure. For want of trained and adequate personnel under the Chief Engineer, it has not been possible to organise properly the Accounts Section for works of magnitude done departmentally. The Committee feel that it is time to take stock of the affairs and revive institutions of the State Controller having jurisdiction over the Public Works Department Accounts.

The Public Works Department Accounts Code is at present a complicated one with elaborate rules and forms. The question of suitably amending the same may be examined.

A small brochure for the guidance of the officers will be useful.

A separate Accounts Cadre under the Controller is perhaps necessary.

The present system of having the entire Accounts staff under the Chief Engineer cannot be expected to function properly. The present system of Post-Audit by the Accountant General is ineffective. It is essential to have a Pre-Audit system for works of large magnitude, specially carried out departmentally. (Paras 13—17).

BURDEN ON TAX-PAYER.

The expenditure of Rs. 180 lakhs nearly being from borrowings, Rs. 18 lakhs per year has to be kept apart from revenues for repayment to be completed in 10 years. Interest charges amount in the first few years to Rs. 7.2 lakhs. The total burden on the tax-payer on account of this unproductive work is about Rs. 25 lakhs, in the first few years. (Paras 18 and 19).

Expenditure on unproductive work from borrowings requires serious consideration. In the case of this building, the financial implications have not been taken into account.

Government and the Director of Printing, thanked.

Acknowledgment of services rendered by Sri K. S. Malle Gowda, Assistant Commissioner, Secretary, Sri K. Padmanabhan, Executive Engineer, Sri S. P. Nanjundappa, Deputy Controller and staff. (Paras 20 and 21).

WD 1413—GPB—500—25-1-57